The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Shanghai College Case Provides Real Test of Japanese Sincerity

ARTICLES IN THIS ISSUE

Desecration of Shanghai College by Japanese Army
Japanese Will Introduce Their Culture to New Yorkers
China's Determination to Resist Remains Unshaken Despite Reverses on the Lung-Hai
Gen. Ugaki No Amateur—Once Made Secret China Treaty
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Shanghai—Shelter for the Living and the Dead . . By T. S. Young
Szechuan Opens It's Door to the World . . . . By Hin Wong
Conquistadores or Colonizers? . . . . . By Nym Wales

SATURDAY, JUNE 11, 1938 VOLUME 85, NUMBER 2

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The China Weekly REVIEW

Formerly Millard's Review

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

DESECRATION OF SHANGHAI COLLEGE BY JAPANESE ARMY

SHANGHAI College, originally known as Shanghai Baptist College, but long since expanded into the University of Shanghai, was established on the bank of the Whangpoo River in 1906, nearly a third of a century ago. The campus and buildings are located in what is known as the northern district, about a dozen miles from the Shanghai Bund and probably half way between Shanghai proper and the Yangtsze at Woosung.

When the school was established there were no roads in the area and it was only possible to reach the campus by boat on the river or by rickshа along a narrow path on the river bank which the farmers used for transporting their merchandise to market in the city. The campus consisted of swampy rice-land and a malaria-mosquito infested lake.

Today—or at least prior to the Japanese occupation of the property eleven months ago—the campus of the University of Shanghai was one of the most attractive in the entire country. The construction of Woosung Road several years ago, plus the more recent development of the Chinese Civic Center, with its modern network of modern roads and streets, made the University accessible from all quarters. The riparian work along the river-front carried out by the Whangpoo Conservancy Board, further enhanced the value and attractiveness of the property. Then in more recent years, the Chinese authorities constructed the Jukong Wharf about a mile down-stream from the campus and this, plus the advance of industrial enterprises into that district, made the Shanghai University property one of the most valuable sites in the city.

By conservative estimate the University of Shanghai, largest waterfront holding by American citizens in the Shanghai district was worth more than U. S. $2,000,000.

But that was prior to the occupation of the Shanghai area by the Imperial forces of Nippon

which have cast a blight not only on this property but on all other sections of the nation which they have touched. But we are concerned primarily with the University of Shanghai and the desecration of this well known Christian educational institution by the Japanese Army which has been in occupation of the campus and buildings for about eleven months.

When the Japanese warlords first seized the University premises, they threatened to destroy the buildings as they had done with other educational institutions which they had seized elsewhere in the Shanghai district and in China generally. Charging that the school was harboring "plain-clothes" men, who were sniping at the Japanese troops, the Japanese military spokesman here proceeded, in familiar manner, to build up the case for the destruction of the school. But luckily the American Consul-General heard of the Japanese threat and sent the Japanese authorities a sharp note warning them that the destruction of this American property would necessitate the Japanese paying for it. The charge that the school buildings were being used by Chinese gunmen was proved false by American and Chinese members of the faculty who were still on the premises.

Later, when the fighting in that area became more serious and several of the buildings had been hit by shells fired by Japanese ship batteries on the river, the faculty and students evacuated and came into Shanghai. The last to leave was Dr. Herman C. E. Liu, who, with a number of students, spent his last day on the campus in a cellar under one of the buildings.

That was the last time that any member of the faculty or administrative board saw the campus of their university because the Japanese have not only been in continuous occupation, but have closed all of the roads in the vicinity to any travel except their own military cars and trucks. Even the main road to Woosung and the Civic Center has been closed. The Japanese excuse for this action is the location of a military airfield adjoining the campus.

Prior to the outbreak of the war, this Japanese military airfield was an innocent-appearing and attractive golf course, developed, so it was explained, to provide recreation for Japanese superintendents and engineers employed in cotton mills in the vicinity. But within a few hours after the outbreak of fighting a large force of Japanese had leveled the bunkers, cut down the trees and converted the tract into an airfield. But it was soon discovered that the field was too short for the big twin and tri-motored bombers sent here from Japan, so the fence separating the airfield from the campus was torn down and the runways extended to the University property.

Today, or any day, Japanese planes may be observed (from a distance) taking off from the campus of this Christian educational institution, with their loads of bombs and bound for some town or village in the interior to spread death and destruction—usually among peaceful unarmed civilians—men, women and children. The buildings have been occupied by Japanese troops; all dormitories, libraries, laboratories and class-rooms have been looted and the buildings seriously damaged, entirely disproving the previously widely held theory that the Japanese were a gentle and artistic people.

PRESIDENT FOR 17 YEARS

The Rev. F. J. White, who served for 17 years as President of the University of Shanghai, came to China in 1901 shortly after his graduation from William Jewell College, Liberty, Missouri. He also attended Ottawa University, Ottawa, Kansas and Colgate-Rochester Divinity School, Rochester, N. Y. Born a Missourian, Rev. White came from a long line of Virginians who emigrated to Missouri at an early date. After teaching in Ningpo and Shaoshing, Chekiang province, Rev. White came to Shanghai in 1906 and assisted in the construction of Shanghai College from the beginning. Most of the construction work was done under his presidency from 1911 to 1928. After the appointment of Dr. Herman Liu as President in 1928, Rev. White remained as professor of History and Philosophy of Religion. Rev. and Mrs. White now reside at Upland, Cal.

Recently when the U. S. State Department demanded the return of this property to its rightful owners, a spokesman of the Tokyo war department replied that the Japanese Army had been trying to purchase the property, "but at any rate it was intolerable to have Chinese students in the University compound which adjoined the Japan-

ese airdrome." Despite the protest of Secretary Cordell Hull, the Japanese are still in possession and no Americans have been permitted to visit the campus or their private homes located thereon.

To make the situation worse, the Japanese notified the State Department that mission property had been returned—which was a falsehood, as indicated in the foregoing. The Japanese did return the old Southern Baptist Compound on Paoshan Road which they also had occupied since the outbreak of fighting. According to a report in *The China Press* (June 44) this compound, used by Japanese forces since the withdrawal of Chinese troops from Chapei, was badly damaged. American Consular officials and representatives of the Baptist mission visited the premises in the company of Japanese officials and found the buildings on the compound, used by the Japanese forces as a central supply depot, had been wrecked. Windows, doors and other woodwork had been removed and burned as firewood, he said. One of the structures on the compound, which formerly was used as the administration building of the Baptist girls' school, was burned after the Japanese occupation of the premises. The campus was visited sometime in November and at that time the building was still standing. Southern Baptist officials estimate the total losses on the Paoshing Road compound as amounting to more than US$125,000. A high official of the American Baptist Foreign Mission Society said that he has received no indication from the Japanese authorities which would show that they are preparing to restore the University of Shanghai buildings to their American owners. The American flag on the campus, he said, had been taken down and in its place the flag of the Rising Sun has been flying over the American property.

Dr. Herman C. E. Liu, first Chinese President of the University of Shanghai, who was assassinated by gangsters in the employ of the Japanese-controlled puppet government located in the Pootung section of Shanghai. A report of the crime appeared in *The Review* on April 16. Dr. Liu was a native of Hanyang, Hupeh and attended school at William Nast College, following which he went to Chicago University and Teachers College, Columbia University, N. Y. Dr. Liu was an outstanding Chinese educator and was well known for his patriotic activities.

*
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HISTORY OF THE UNIVERSITY

The University of Shanghai was founded in the year 1906 by the Baptists of America, North and South.

Two of the leaders in the foundation of the institution were the late J. T. Proctor, the first president, and F. J. White, president from 1911 to 1928, both of Missouri.

The cornerstone of the first building, Yates Hall, was laid in 1908 by a well known American publisher and member of the Baptist Church, the Hon, E. W. Stephens, of Columbia, Missouri. Two of the earliest buildings of the institution were built by the Baptists

BUILT BY MISSOURIANS

Cornerstone of Yates Hall, first building constructed at Shanghai College in 1908. The inscription on the stone, written in English and Chinese, reads as follows:

"Yates Hall—Corner-stone Laid by E·W. Stephens, L.L.D., First President of the General Convention of Baptists of North America, January 21, 1908. The inscription around the border reads, "Shanghai Baptist College—Shanghai Baptist Theological Seminary." The name has since been changed to University of Shanghai.

of Missouri, Breaker Hall and Eleanor Mare Hall, and a part of the campus known as Southworth Field was purchased with funds willed to the institution by Dr. Southworth, also of Missouri.

In 1931, the English name was changed from College to University to correspond with the name in Chinese, which was specified for institutions of this class by Chinese educational regulations.

The University of Shanghai is the only foreign mission institution in which Northern and Southern Baptists co-operate. For this reason it was often humorously designated as the "Baptist foreign mission capital of the world."

When the College first opened there were eight teachers, four freshmen college students, and forty-five preparatory students, as well as forty Bible school students. The plant consisted of one large building, a cheap dormitory, and four dwellings for teachers.

The school property has grown until there is now a campus of fifty acres, twelve large buildings: Administration, Science, Gymnasium, Library, two Men's Dormitories, Men's Dining Hall, Women's Hall, Women's Dining Hall and Gymnasium, Kindergarten Normal, two Academy Halls and nine smaller ones, Dormitory for men, Dormitory for Staff, Store, Power House, Water Tower, Academy Dining Hall, Primary School, Infirmary, Seminary Hall. There are also dwellings and apartments for thirty-two teachers' families. Including books, science apparatus, and other equipment, all this has a valuation approximating U.S.$2,000,000. In America it would cost possibly double that sum.

The student body (1936-1937) has grown to over 400 in the Academy and to 635 in the College. Of these

latter, 205 are women. In addition the University's Downtown School of Commerce has an average of 600 students, while the Yangszepoo Social Center, operated by the University, had 700 students in its Elementary, Junior-Middle and Night School departments. The students come from every province in China and from many foreign countries where there are Chinese immigrants.

The instruction given is meant to give the students' preparation for life and is divided into (1) Natural Sciences, including pre-medical, (2) Social Sciences, (3) Business Administration, (4) Education, (5) Religion. In most of these fields the student may either seek further preparation or go direct from college into one of the following lines of work: Industrial Chemistry, Government service, business, teaching, social service, or religious work.

Shanghai College was the first to introduce co-education in China. A few girls had been admitted to one or two institutions because there was no other place for them to study. But Shanghai College was the first institution to advocate the establishment of co-education and to admit girls on an equality with men. In the year 1920, four girls were admitted. This number has grown to more than 200. The example of Shanghai College has been followed by the great majority of colleges and universities, government, private, and Christian. But the University of Shanghai still has one of the largest groups of young college women in China. Its alumnae have already made notable contributions to the advancement of Christianity and the welfare of the women of China.

Fortunately for the cause of Christianity, the Christians of Eastern lands desired to manage their own church work and Baptist principles were found to fit this situation admirably. When the nationalist revolution came, in 1927, Shanghai College was already prepared and upon the recommendation of President White, Dr. Herman C. E. Liu was elected President. After studying in America, Doctor Liu had been educational director of the National Committee of the Y. M. C. A. He therefore came to the presidency with a wide fund of experience and he had a capacity for indefatigable labor. His occupancy of the presidency for several years abundantly proved the wisdom of his election. He strengthened the Christian spirit in the face of strong opposition and made the University of Shanghai one of the most influential educational institutions in China.

The assassination of Dr. Liu on April 7 by agents of the Japanese-supported puppet government here, was undoubtedly part of a dastardly plot of ronin gangsters and their hirelings to "liquidate" an influential and uncompromising leader of Chinese national thought.

President Liu was seconded by Dean T. K. Van, an alumnus of the class of 1916. After studying at Teachers College, Columbia University, he became Principal of Ningpo Academy and later Dean of the College.

The Board of Directors is composed of Americans and Chinese, most of the Chinese being alumni of the institution. The American members are all missionaries of the Northern and Southern Boards.

The University of Shanghai was founded primarily for Christian educational purposes. The University has been an important factor in making Christianity indigenous to China by preparing Christian leaders in all departments of Chinese life. In this work it has been eminently successful as its graduates are to be found in positions of responsibility in all lines of Chinese life.

JAPANESE WILL INTRODUCE THEIR CULTURE TO NEW YORKERS

JAPANESE culture—not the kind now being introduced into China—will shortly be made available to New Yorkers. Long articles in the *Asahi* on May 30 and 31 told of the plan, apparently the first definite action of Tokyo's new Warlord Foreign Minister General Kazushige Ugaki. The scheme, which has been in cold storage since the creation of the Society for International Cultural Relations in the winter of 1934, is shortly to be put into effect according to statement of Count Aisuke Kabayama, head of the organization.

The plan involves, first, the appointment of "Culture Attaches," who will be stationed in various world capitals such as Berlin, Rome, Paris and London—and in New York—(not Washington). The object, according to the Count, will be to introduce Japanese culture "positively," somewhat like the Army's "mopping-up" expeditions, or possibly like a Canton bombing. In other words, the New Yorkers are to be provided "with a display of the true worth of Japan." It's the first time the Foreign Office ever attempted anything of the kind—possibly due to the fact that the Foreign Office has been forced to seek new fields of activity since the Army took charge of the China show! The China incident, according to the report, has made Japan "keenly realize the urgent necessity of propaganda."

The Culture Attaches will have the status of counsellors or first secretaries of embassies They will be provided with ample corps of assistants, capable of speaking the American language and making jokes in the American fashion. This will cause the Americans, or at least the New Yorkers "to recognize the true worth of Japan."

Each Culture Attache will be provided with an information library containing books, pamphlets, and other literature pertaining to diplomacy, military affairs and society in general. Material for the library in New York is being "hastily collected," according to the *Asahi*.

It was rumored that the idea originated with some American "public relations adviser" employed by the Foreign Office, who had convinced the Japanese (for a rather high fee) that a Culture Adviser might be able to cause the Americans to cease thinking about Japanese bombings, massacres, lootings and rapings in China. The original announcement, when cabled to New York, apparently resulted in some misunderstanding, evidenced in sarcastic editorial comment and cartoons. This convinced Count Kabayama that he should proceed to New York at once and open the new office himself. The Count, as everyone knows has been a professional glad-hander and

85-052

dispenser of culture to overseas visitors in the Nippon capital for many years. In an interview he said that the cultural relations of America and Japan began with the visit of Commodore Perry —which was a remark of some significance, in view of the methods employed by the Commodore. But, declared Count Kabayama, American technical knowledge, institutions and modern technique enriched Japan; therefore Japan should return the compliment by introducing Japanese culture to the New Yorkers.

"The day is not far distant when we can contribute in some measure to the culture of the American people," said the Count.

If we are not mistaken that point was also covered in the famous Tanaka Memorial, but in that notorious document the Japanese were not expected to start in on the Americans until they had finished their "cultural" campaigns in China and Russia!

China's Determination to Resist Remains Unshaken Despite Reverses on the Lung-Hai

INCREASED Japanese military pressure—by the Army on the Lung-Hai, and by the air-squadrons at Canton and elsewhere—has failed to shake the determination of the Chinese National Government and the people generally to continue the struggle against Japanese aggression.

The authorities at Hankow and Chungking, according to reports early in the week, have decided to sever diplomatic relations with Japan officially and to order the closure of the Chinese Embassy in Tokyo. The action was scheduled for Saturday, July 11 when Y. C. Yang, Charge d'Affaires of the Embassy, and his staff, have been instructed to return to China. It is expected that agents of the Peiping puppet regime, with the support of the Tokyo Government will occupy the Embassy as soon as Mr. Yang departs.

Recent victories on the Lung-Hai front apparently have inspired the warlord-dominated Japanese Cabinet to unparalleled acts of barbarity and a determination to continue the thrust into the far interior of the Chinese domain regardless of consequences. A suggestion that President Franklin D. Roosevelt might initiate a peace move was met by the Tokyo spokesman with the declaration that Japan "would not welcome foreign intervention from any quarter."

But the packing of the Tokyo Cabinet with the warlords of the Army and Navy has, as yet, failed to bring about a settlement of the question of creating a so-called "Central China Affairs Organ." It was this fundamental issue concerned with the method of "governing" China which was responsible for the reshuffling of the government and the ousting of most of the civilian members. Latest reports from Tokyo indicated that the question might be settled by the middle of the present month—or that it might even be abandoned altogether. The Army, of course, wants to take over complete control similar to what was done in the case of Manchuria, where a so-called "Manchurian Bureau" in the Cabinet completely eliminated interference by other branches of the government, particularly the Foreign Office, and left the Army free to carry out its own policies.

Turning to the situation in China and the development of Japanese policy with respect to the puppet regimes at Peiping, Nanking—and at Shanghai—it is increasingly evident that Japanese statements pertaining to the merger of the Peiping and Nanking regimes, following the capture of Hsuchow, are not to be carried out. As suggested in previous discussions of the subject in these columns, the Japanese military authorities have no intention of permitting the development of any type of central unified authority, even among puppets, in the territories under Japanese military control.

Pao Kuan-cheng, representative of the Peiping group, accompanied by three assistants, arrived in Shanghai last week to initiate negotiations with officials of the Nanking group—still under Japanese guard at the New Asia Hotel in Hongkew—but because of many complicating factors, no agreement was made. Main difficulty in the way of the proposed amalgamation was distribution of high posts among officials of the two puppet regimes. In order to solve the problem, Japanese Army spokesmen suggested that a Chinese "Federal Government" be organized, nominally in control of the two regimes which would remain independent as they were at present. It also was suggested in the local Japanese newspapers that a merger of the two regimes probably "could not be brought about for a year."

Peiping and Nanking are, however, planning to establish joint consular offices in five principal Japanese cities, which will have jurisdiction over Chinese nationals who are still residing in Japan. Consular agents of the two administrations will be stationed in Tokyo, Yokohama, Kobe, Nagasaki and Taihoku, Formosa.

The Peiping "Provisional" Government headed by Wang Keh-min has expanded its organization by adding three new bureaus, Home Affairs, Foreign Affairs and Communications. Under supervision of Japanese advisors, an ex-

tensive educational program designed to promote Sino-Japanese friendship is being carried out. New textbooks are being prepared for middle and primary schools in North and Central China.

The conflict between the "Ta Tao" Government in Shanghai and the "Reformed" Government in Nanking has grown more acute with the creation of rival political organs by the two factions. The so-called "Hsin Hsin Club" or New Revival Society,—a Nanking organ formed by Wang Tse-hui, "Minister of Industry," is enlisting support of out-of-office and disgruntled politicians in order to expand its influence. On the other hand the Ta Tao Government here has formed a "Ta Tao Hui," or "Great Way" Association, with a similar purpose in view—the increasing of its influence.

Soo Hsi-wen, head of the "Ta Tao" Government, with the help of Japanese advisers has established a new police organ known as the Peace Preservation Department. The duties of the new organ headed by Hu Chen-ku, will be maintenance of peace and order in Pootung and suppression of Chinese guerillas. The Japanese military authorities for the first time, have agreed to issue 1,000 rifles with munitions to the department.

Capital to Remain at Chungking

Japanese reports that the National Government would shortly be removed from Chungking, in Szechuan, to Kunming, Yunnan province, were denied at Hankow. The spokesman pointed out that Chungking had been the seat of government for the past six months, where foreign ambassadors had presented their credentials. Reports that it would again be moved were ridiculed in official circles.

Another Japanese report claimed that in view of the "strengthening" of the Japanese Cabinet the Chinese Government would also organize a War Cabinet composed of the following:

President of the Executive Yuan ....Dr. H. H. Kung
Minister of Finance .....T. V. Soong
Minister of Foreign Affairs.....Eugene Chen
Minister of Interior .....Gen. Chiang Tso-ping
Minister of War .....Gen. Ho Ying-chin
Minister of Navy.....Admiral Chen Shao-kwan
Minister of Air .....Gen. Chien Ta-chun
Minister of Industry.....Tu Yueh-sen
Minister of Railways .....Chang Chia-ngau
Minister of Education.....Lo Chia-lum

Appeal for Economy

An appeal for economy was made by Dr. H. H. Kung, Executive Yuan President and Finance Minister, in an address at the recent Bankers' Conference at Hankow. The Conference was called, according to a spokesman of the Finance Ministry, in order that the Government could be better informed as to financial problems in various parts of the country and could arrange for practical co-operation of local banking authorities in a program of strengthening China' war efforts. Dr. Kung declared, "When our armies are fighting so bravely against invaders, those who are not called upon to risk their lives should make their own contribution by abstaining from luxuries and reducing consumption of other goods. Every Chinese who has the interest of his country at heart should examine his present needs and adopt a simpler life."

Although the City Government of Greater Shanghai has ceased functioning here, redemption of its 1932 rehabilitation loan is still being carried out. The 11th drawing of bonds due for repayment (June 2) was held in the office of the Hongkong & Shanghai Banking Corporation. The loan, amounting to $6,000,000, secured on wharfage dues and the Customs, runs for 20 years. Payment on the 1934 loan of the City Government, however, is being suspended.

"FRIENDSHIP" POSTERS

Japanese posters in occupied areas in North China which try to crease the impression that Japanese soldiers are fraternizing with Chinese peasants and their children.

Leaders Reinstated

A total of 26 political leaders who had been expelled from the Kuomintang at various times and for various reasons were reinstated to membership in the Party. The action was taken at the 14th meeting of the Standing Committee of the Central Supervisory Committee of the Kuomintang, held at Chungking June 4. Among those reinstated were Mao Tse-tung, Communist leader; Eugene Chen, former Foreign Minister; Chou En-lai, another Communist leader; Kuo Mo-jo, noted Leftist writer; and Chen Tu-hsiu, well-known author who was imprisoned in Nanking for three years for alleged Communist activities. The list included the following:

Chen Chi-yuan	Chen Tu-hsiu	Chang Kuo-shou
Peng Tse-chih	Shih Peng-chan	Kuo Shou-hua
Chou En-lai	Liu Ching-yang	Yu Kuo-chen
Cha Jen-wei	Pao Hui-seng	Lo Kung-hua
Lin Tsu-han	Yu Shu-te	Wu Yu-chang
Mao Tse-tung	Tung Yung-wei	Teng Ying-chao
Kao Yu-han	Peng Tse-min	Yeh Chien-ying
Kuo Mo-jo	Chen Yu-jen (Eugene Chen)	
Chan Yao-kun	Lin Chieh-fu	Huang Yuan

Tseng Yu-chun, former Minister of Communications in the old Peking Government and a prominent member of the Anfu clique, was appointed member of the Hankow Central Relief Commission. Tseng recently arrived at Hankow from North China to pledge loyalty to the Central Government.

Gen. Chen Ming-shu, former Chairman of Kwangtung and leader of the 19th Route Army, is in Szechuan on a tour of inspection. He called (June 1) on Gen. Teng Hsi-hou, Pacification Commissioner for Szechuan and Hsikang; Gen. Wang Tsan-hsu, Acting Szechuan Chairman; and other provincial leaders.

The Executive Yuan at its meeting May 31, announced the appointment of Quo Tai-chi, Ambassador to Great Britain, as Plenipotentiary Delegate for the exchange of ratifications of the Sino-Esthonian Treaty of Amity, with the Esthonian Minister in London. Dr. Wellington Koo, Ambassador to France, was appointed Plenipotentiary Delegate for the exchange of ratifications of the Sino-Liberian Treaty of Amity with the Liberian Minister at Paris.

Aviators Honored

Gen. Chiang Kai-shek attended a memorial meeting at Hankow (June 5) in honor of four Chinese aviators who were killed during recent aerial combats with Japanese raiders in the Wuhan Area. The airmen were Captain Chang Hsiao-hsien, Captain Yang Shun-hsien, Lieutenant Chen Huai-min and Lieutenant Sun Chin-chien. More than 20,000 people attended the service.

Heroes of Taierchwang

In recognition of meritorious services at the battle of Taierchwang, southern Shantung, where the Japanese suffered a major defeat, the Executive Yuan, at its meeting (May 31), decided to confer the Order of Blue Sky and White Sun—the highest military decoration—on Lieut.-Generals Tien Chen-nan and Feng An-pang, Army Commanders; Maj.-Generals Huang Chian-sung, Chang Chin-chao and Chin Feng-cheng, Divisional Commanders; and Col. Chang Kwang-hou, Regimental Commander. The Order of the Sacred Tripod, 4th Class, was conferred on Maj.-Gen. Wang Fang-ting, Chief-of-Staff.

Decorations of various grades were also conferred on military officers responsible for the victory at Lingyi, south-eastern Shantung. Among them were Maj.-Generals Li Cheng-yu, Liu Chen-san, and Chu Chun-fang, Col. Ma Fu-yung, Majors Chang Hui-kao, Su Chin-chieh, Teng San-lin and Chin Wen-sheng.

The Executive Yuan also adopted regulations governing awards of scholarships to children of all persons performing meritorious service in the campaign of resistance.

World Student Delegates

After inspecting Chinese defence lines in Chekiang, American and European delegates of the World Students' Federation returned to Nanchang, Kiangsi Capital, (June 5). A spokesman of the delegation expressed admiration for the bravery and discipline of the Chinese troops at the front. Edgar Ansel Mowrer, staff member of the *Chicago Daily News* on furlough, who has come to China as delegate of the International Peace Union, visited Chengchow, junction of Peiping-Hankow and Lunghai Railways, end of last month. He also visited Kaifeng, Honan capital, before returning to Hankow.

Overthrow Japanese Warlords

In the first Chinese air raid on Japan, middle of last month, Chinese planes dropped thousands of leaflets instead of bombs, urging the Japanese people to unite and oppose their militarists who are responsible for the aggressive war on China. The following is a translation of one of the leaflets as published in the *Sao Tang Pao*, Chinese Army organ in Hankow:

"To the Japanese people:

"Ten months have elapsed since the outbreak of the Lukouchiao incident. The casualties suffered by your soldiers on the battlefield in China have reached 300,000. We are in sympathy with those killed and wounded and deeply concerned over the fate of many of you who have been driven to poverty by your warlords.

"China and Japan are bound culturally and racially. We depend on each other for co-existence. Is it necessary that we should resort to armed force to settle our dispute? This question has been answered by your soldiers in their secret handbills circulated on the battlefield. These handbills say: 'We demand immediate cessation of hostilities; for we have been placed on the path to death by our Fascist militarists who have been trying to satisfy their own selfish desires.' This sufficiently indicates that there is no necessity for China and Japan to resort to force.

"We have exercised the greatest forbearance in the hope that your militarists may repent of their actions. But to our regret, they have continued their acts of aggression by occupying Peiping, Tientsin and whole North China, and their ambitions would not be satisfied even if they have occupied whole Chinese territory. Our beloved Japanese friends, how can we tolerate the forcible occupation of the territory north of the Yellow River, the place of origin of our civilization?

"Your militarists believed that our government had been beaten to its knees after the fall of Nanking, but facts proved that such belief is entirely wrong. On the contrary, China's power of resistance has been greatly strengthened since the loss of Nanking. Our present campaign of armed resistance has won world-wide sympathy. When you think it over with a cool head, you will agree that China deserves such sympathy.

"The Itagaki and Isogai Detachments, which represent the best units in the Japanese Army, have been practically wiped out by our troops operating on the Tientsin-Pukow Railway. At the same time a comprehensive outline for armed resistance has been mapped out at the recent Sixth National Kuomintang Congress. All these indicate that the harder your militarists press us, the stronger we are unified. We are confident that our army, under the leadership of Generalissimo Chiang Kai-shek will one day crush the forces of your Fascist militarists.

"We venture to conclude that your militarists, in the course of their present adventure in China, will finally spoil the brilliant future of your nation. The puppet organs they created in China and their ruthless slaughter of innocent Chinese people and destruction of cultural institutions have been condemned by the whole world. It is a really unforgiven sin for your militariats to squander the money you earned with your blood and sweat and waste the precious lives of the youths of your nation.

"Our gallant defenders are doing their best to overthrow Fascist influence in your country. You and your soldiers are not our enemies, but our good friends. For the sake of the future of the two great Oriental Nations we should cooperate closely.

"Our beloved Japanese friends, your warlords are now absorbing your blood and driving you to kill your brothers in China. Time is now opportune for you to start a revolution against your militarists. We should join hands with each other in overthrowing Fascism.

"We are doing our best and hope you will reciprocate!
"Liberation of the Japanese people!
"Liberation of the Chinese people!
"Long live China and Japan!"

GEN. UGAKI NO AMATEUR—ONCE MADE SECRET CHINA TREATY

THE *Asahi Shimbun*, leading Tokyo newspaper answered the charge that General Kazushige Ugaki, recently appointed Foreign Minister in the Japanese Cabinet, was an amateur at diplomacy.

Those who regard the General as an out-and-out military man and novice at the "game of diplomacy," will be sadly mistaken, according to the *Asahi* which declared that the warlord foreign minister "has a few ideas of his own concerning how China should be managed."

It seems that Gen. Ugaki's experience in diplomacy dated back to the days of the World War when he was head of the first department of the general staff. The Anfu clique was in control of the Chinese Government at Peking and Gen. Chin Yun-peng, chief assistant to Premier Tuan Chi-jui, had been sent to Tokyo to seek cooperation with Japan against Russia. The Japanese Army wanted a military agreement with

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China "to maintain peace and order on the Siberian border."

Major-General Ugaki and the then Lt. Col. Shigeru Honjo, together with a large staff of special service men, were sent to Peking to negotiate with the Anfu politicians and militarists "without waiting for any instructions from the Japanese Ambassador, Mr. Hayashi, then in Peking."

Gen. Ugaki, said the writer in the *Asahi*, quickly pushed the negotiations to a successful conclusion and signed an agreement with the Chinese generals consisting of 12 articles. The agreement included provisions for joint strategy, joint financing, joint supplies of munitions and other services.

According to the *Asahi* Gen. Ugaki returned to Japan with his mission "satisfactorily fulfilled," and also, presumably, without telling Minister Mayashi anything about the secret treaty which he had negotiated with the Chinese militarists. This valuable experience, according to the report, "gave Gen. Ugaki a keen insight into Chinese psychology and also a knack of how to negotiate with the Chinese . . . thus Gen. Ugaki is actually an older hand at China diplomacy than any diplomat now in active service."

Japanese Claim Communists Extinct

Revealing for the first time the arrest of 1,300 alleged Communists throughout Japan eighteen months ago, officials of the Home Ministry last week claimed Communism in Japan was "near extinction." Radicals spared by the dragnet spread on Dec. 5, 1936, were arrested by the anti-Red squads of the Home Office on Dec. 16 and Feb. 1 last. Kenji Tomita, Director of the Ministry's Police Bureau, told the press that it was "gratifying to see that Japan is able to pursue her sacred war with all sections of society united in a national front." The secret nation-wide raids of December, 1936, the officials claimed, had put an end to the Communist Party as an independent, active organization. The subsequent raids, they added, had resulted in the elimination of other radical bodies, such as the Farmer-Labor party.

Of the 1,300 men and women arrested in the course of the 1936 raids, 235 were indicted and 238 were released when indictments against them were dropped. Eight women arrested by the police were among those released. The communique pointed out that the arrest of women for political offenses was "a unique feature" of the round-up. Another notable feature of the case, the statement said, was the arrest of two Buddhist priests and 26 members of the New Buddhist Association. The priests were accused by the officials of advocating Communist principles in their sermons. Prominent among the arrested men were Kan Eguchi, a famous proletarian writer; Yoshiro Seno-o, an "eccentric" religious leaders; and Jo Koiwai, a leading barrister-at-law.

More Japanese Inspectors, Advisers and Experts Arrive at Shanghai

The Shanghai Maru, which docked here on Friday, May 27, brought to China more than the usual quota of Japanese talent for the reconstruction of China. At the head of the list, according to *Domei's* enthusiastic account, was Lt. Gen. Rihachiro Banzai, now a member of the House of Peers in the Imperial Diet, but previously an adviser to a "long list of Chinese generals beginning with Yuan Shih-kai."

Next on the list was Tetsuo Kudo, a Vice-Minister of Public Welfare, a new cabinet post recently created in the Tokyo Government. Mr. Kudo, will spend a week inspecting the facilities for social welfare in Central China.

Then came Engineer Jinki Kaomi, with 13 experts, who was sent here by the Army with instructions to "take over" the large Chinese Kiangnan Dockyard and Engineering works. After seizing and holding this property for several months, the Army decided to hand it over to Mitsubishi Dockyard of Nagasaki.

Also aboard the vessel were 43 military chauffeurs and some 44 civilian chauffeurs. The military chauffeurs will probably drive large trucks up and down Nanking Road, while the civilian chauffeurs, according to the report, will drive busses on roads within the Japanese occupied zone.

Last but not least were 9 members of the Aichi prefectural assembly, who will make a hurried inspection of industrial conditions in Central China.

Chinese Government to Move to Kwangsi?

Following the fall of Hsuchowfu, junction of the Tientsin-Pukow and Lung Hai Railways in North Kiangsu, the seat of Chinese National Government will be moved from Hankow to Nanning in Kwangsi, according to Japanese reports. Previous reports to the effect that the Chinese National Government will move from Hankow to Chungking in Szechuan or to Kunmin in Yunnan are reported incorrect. It is reported that a secret agreement has been reached between the Chinese and French authorities for the building of a railway between the French Indo-China and Kwangsi Province.

Shanghai-Tokyo to Be Linked by Air Service

Officials of the Japan Air Transport Company decided on May 30 to link this country with the major cities of Central China by air routes on Oct. 1. Leaving Fukuoka early in the morning, huge passenger planes will by the same evening make stops at Shanghai, Nanking and Hangchow. Another route will connect Japan with Tsingtao, Tientsin and Peiping. The capitalization of the concern will be raised from the present Yen 10,000,000 to Yen 50,000,000 before the end of this year, it was revealed.

Plan Reopening of Hangchow Post Office

Early reopening of postal service in Hangchow and other cities along the Shanghai-Hangchow Railway is being planned by the post office authorities of the Chekiang province, A. M. Chaplain, Director of the Shanghai Post Office, revealed this week.

Mine Sweeper Is Launched

Another addition was made to the Japanese Navy May 28 when a new mine sweeper, designated at No. 8, was launched at Yokosuka. The launching ceremony was held in the presence of many high naval officers, headed by Vice-Admiral Kiyoshi Hasegawa, Commandant of the Yokosuka Naval Base and former Commdaner-in-Chief of the Japanese China Sea Fleet, and leading civilian officials.

Puppet Regime to Build Houses in Chapei

In an attempt to improve the business condition in general in Chapei, which was turned to ashes during the Sino-Japanese hostilities last autumn, the puppet regime in Nanking with the permission of the Japanese has decided to build thousands of houses in Chapei. It is expected by the puppets that with these houses built, people will return to Chapei and they may collect rent as well as taxes from them. If this plan proves successful, it is reported, houses will also be built by the puppets in Pootung and Nantao.

China Buys 50 Submarines from Britain?

Japanese reports state that the Chinese authorities have purchased 50 submarines and torpedo boats from Great Britain. According to Portuguese authorities at Macao three submarines attacked and sunk a Japanese aircraft carrier off the Kwangtung coast a few days ago. The three submarines were sunk and the Chinese sailors were killed when Japanese destroyers fired on them.

40,000 Ricksha Pullers Out of Employment

As a result of the Sino-Japanese hostilities, 40,000 ricksha pullers are thrown out of work, according to the Ricksha Pullors' Union. At a meeting recently, which was attended by 150 representatives of ricksha pullers, important resolutions were adopted. The meeting decided among other things to ask for relief for their unemployed fellow pullers from the Shanghai Municipal Council, the French Municipal Council, the Chinese Ratepayers' Association and charitable associations.

No Foreign Cotton to Be Imported

Well-informed financial circles state that the Chinese authorities will refuse to grant permission to companies to buy foreign exchange for the import of Foreign cotton. It is reported that China has very good cotton harvest this year and there is no reason to import cotton from foreign countries.

Japanese Plan Mecademized Peiping-Tientsin Highway

Since the present motor-road between Peiping and Tientsin has practically been destroyed by excessive use of Japanese military trucks, the Japanese military authorities are now planning to reconstruct the road as a mecademized highway. Work was scheduled to start early in the present month.

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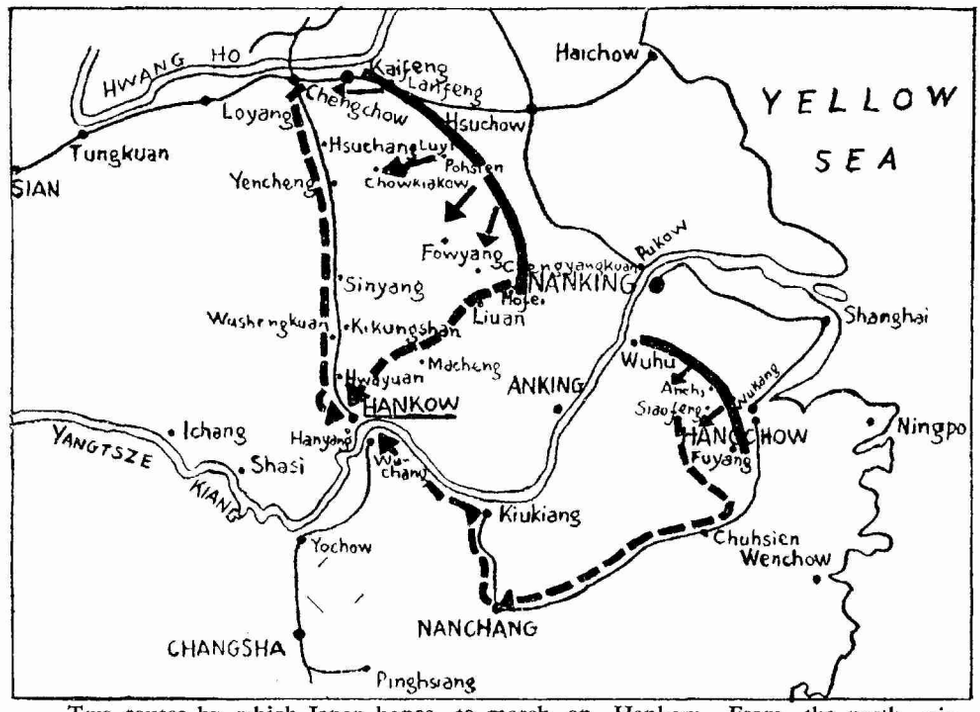
Japan's 'Holy Crusade' in Canton

TO Canton in the last 11 days (May 29-June 8) came, perhaps, the worst reign of death and destruction ever visited upon a civilian population center in the history of mechanized warfare. It was a death from which non-combatant men, women and children had no chance of escaping. It dropped swiftly from the skies—ton after ton of explosives mushrooming in areas packed with terrified civilians, heaping streets with a confusion of torn human bodies, splintered wood, brick and mortar. From Japan's aircraft carriers, huge fleets of bombers rose, roared over the city and released their missiles on everything from railway stations to government buildings; from the densely-populated tenement section to the wealthy residential section of Tungshan; from hospitals to universities. After 11 days of one of the world's worst horrors, Canton counted its dead and wounded at about 8,000 persons. Then, on the tenth day Canton and Shameen fear-crazed citizens roamed the streets in total darkness while workers sought fractically to repair the citys' damaged power station. They thought that respite from death had come at last. An eerie quiet encompassed the vast crowds on the waterfront. Then came the drone of motors. Swift as birds, Japan's naval aircraft swept over them. And when they had passed, few remained to tell of the horrors of the attack.

And all the while the world stood horrified. Washington, London, Paris condemned the attacks . . . . "Ruthless and contrary to precepts of international law . . . . indiscriminate bombings of densely populated area . . . . collective massacres of women and children . . . ." Canton made appeal after appeal to the world to halt the "brutal butchery of Chinese civilians." But Japan's new warlords, "Riding the Tiger," chose to ignore the condemnations, the pleas of the world and, on June 7, Rear-Admiral Naokuni Nomura, chief of the Naval Special Service Section, at Shanghai, announced that the "Japanese Navy intends to carry out air a raids against Canton and Hankow until the Chinese authorities realize the futility of their present attitude and in order that the hostilities of which these air bombardments are a concomitant part may be brought to a termination as speedily as possible."



Two routes by which Japan hopes to march on Hankow. From the north, via Chengchow, Yencheng and Hofei. From the south, they are reported advancing in three routes—Wukong, Sanchiao and Pongkong.

Apologist for Nippon?

But Japan's vicious attack on Canton found a champion in Shanghai. To the defense of Japan's self-termed Holy Crusade, came Mr. H. G. W. Woodhead, C.B.E. Mr. Woodhead, whose antis and pros concerning the Orient has changed each time the wind shifted in the last few years, hauled out the book of International Law to support his ragged thesis, give the nod of approval to Japan's acts. But the eminent Britisher neglected to mention international ethics. He did, however, have the courtesy to suggest a zone similar to Shanghai's Jacquinot Zone for the protection of Canton civilians. Writing in the *Shanghai Evening Post & Mercury*, he said, specifically:

"Though it is easy to understand and to sympathize with the horror felt over the rapidly rising toll of civilian lives, the British and American and other Governments would do well before permitting this horror to crystallize into the form of protests to Tokyo to pause and consider whether they will not sooner or later expose themselves to the charge of hypocrisy. . . . . It is to be doubted whether any European or American military expert would assume responsibility for the opinion that given the present status and military importance of Canton aerial bombing is an illegitimate form of hostilities according to International Law. At the Washington Conference when the subject of the use of aircraft was under discussion, Senator Root pointed out that an attempt to apply the conditions of land warfare to aerial bombardment would 'prevent aircraft from bombarding any town whatever.' It had been suggested that 'a defended town must not be bombarded without notice sufficient to enable the innocent—the women and the children and noncombatants—to withdraw, and that an undefended town must not be bombarded at all. When one considered these two rules, the spirit of them could prevent aircraft from bombarding any town whatever. Bombard a rialroad junction, a station crossing?

" 'Yes. Bombard a munitions factory? Yes. But the centre of an innocent population? Not under any circumstances at all.' To which the Canadian Prime Minister retorted that 'Inasmuch as modern warfare by its very nature involved all the energies of each nation engaged, it would be found that railway junctions, munition factories, and other such points of attack were everywhere scattered among the habitations of the innocent population'."

France Deplores Raids

But, in Tokyo on June 7, the French Ambassador, Arsene Henry, told the foreign office of the French Government's earnest desire that the Japanese air force should refrain from bombing Canton. It is the belief of the French authorities, the envoy was reported to have informed Kensuke Horinouchi, Vice-Minister for Foreign Affairs, that the raids on Canton would excite French national sentiment, and thus adversely affect Franco-Japanese relations. Pointing out that Canton is not a defenceless city, but a well-fortified Chinese base, Horincouhi in response emphasized that the bombing of Canton was entirely legal.

And in Canton, the bombing went on. French troops, the first to land on Canton proper in several years, stood guard over the French owned Doumer Hospital June 7 when the Japanese planes resumed bombing of the Tungshan and Saichwan residential districts. The French troops were landed June 6 after Japanese planes had scored two direct hits on the French hospital, wounding one prominent French surgeon and causing damage estimated at 1,500,000 francs.

Besides the direct hits on the French hospital, several other foreign buildings narrowly escaped bombing in the June 6 raids, the worst in Canton's history. Several bombs narrowly missed the French Cathedral after they had been released from Japanese planes directly over foreign consulates on Shameen. One bomb exploded a few hundred yards from the Y.M.C.A. killing dozens of civilians and wounding scores of others. E. H. Lockwood, secretary of the Y.M.C.A. converted his building into an emergency hospital. Floors of the building soon were literally slippery with the blood the civilian bomb victims carried to the emergency hospital for treatment.

Machinegunning Workers

For the first time in the current raids, Japanese planes on June 6 machinegunned the streets and attacked a Red Cross unit which was almost wiped out while attempting to rescue civilians buried in demolished buildings. Bombs which narrowly missed the French Cathedral, hit one Red Cross truck, killing a number of relief workers. A. T. Hull, newsreel cameraman for Pathe and Paramount pictures, was stunned by the explosion and thrown into the Pearl River. "I filmed the bombing of the Red Cross the truck and the machinegunning of the rescue workers," he said. His films were understood not to have been damaged and will be sent to the United States for nationwide exhibition.

The Chung Shan University has been bombed by Japanese waf planes 10 times since the outbreak of the present hostilities, but most of its buildings still remain intact despite the fact that more than 50 bombs were dropped on the campus. The Colleges

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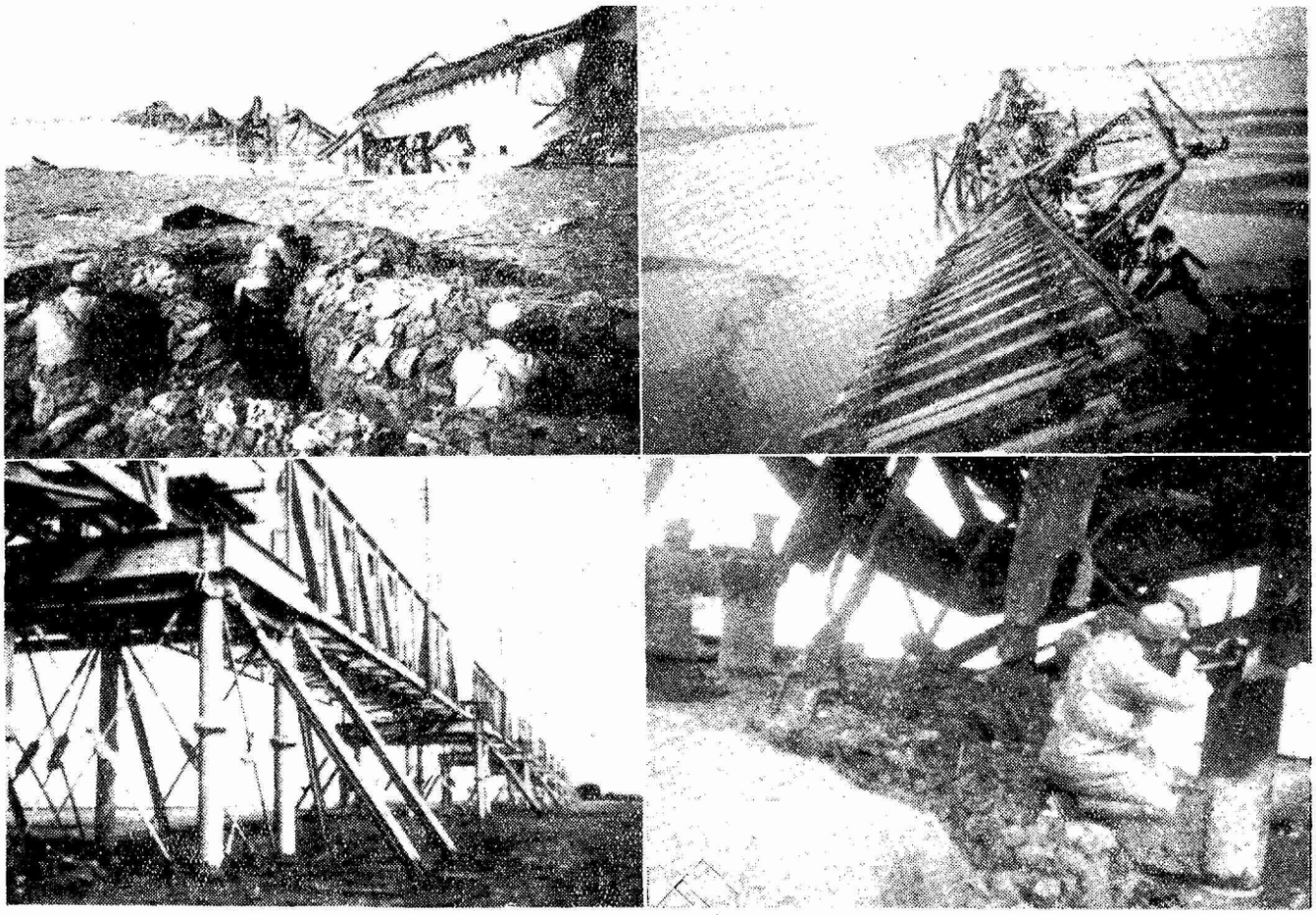
MORE WORK FOR THE BRIDGE BUILDER



The wreckage of the long iron bridge across the Yellow River at Chengchow, Honan. This bridge was condemned many years ago as unsafe, but the authorities of the Ministries of Railways and Communications were never able to raise sufficient funds for building a new bridge. The bridge has now been completely destroyed, making a new one necessary before resumption of rail traffic on the Peiping-Hankow line.

of Arts and Sciences and Law have been removed to Wen Ming Road. With the apparent intention of destroying the university, Nipponese planes this week again bombed the College of Arts and Sciences and Law and the Middle School attached to the university. Five students and coolies were killed and scores of others wounded, and other damage cannot be ascertained at present.

The War in Honan

But, as Japan pressed her war in South China, and as two members of parliament in Japan saw the necessity of controlling Hongkong diplomatically because of the large shipments of arms for China being transported through that port, the conflict in Honan appeared more ominous for China, with Japan's forces poised for a march on Hankow should China fail to stop them in the Chengchow area. When Kaifeng, Honan's capital, fell Chinese took up new positions between Kaifeng and Chengchow and here China expects to stay Japan's drive.

Foreign observers do not anticipate any big battle in this sector in the near future, firstly owing to the necessity for the Japanese to consolidate their newly acquired positions and await reinforcements and secondly because the Chinese manifestly do not intend to offer serious resistance on the plain of Honan but will withdraw to the mountainous region at the border of Honan and Hupeh provinces where the terrain is more favorable for defensive strategy. Chinese military circles believe that the fortifications built in the mountains during the past twelve months will suffice to prevent a Japanese advance in the southern sector of the Peiping-Hankow railway.

It was pointed out by those familiar with the topography of Honan that the countryside of the province is one of the most favorable areas in China for the operation of mechanized units. Flat, sun-baked land stretches for miles and miles on end without a single stream or hill to impede the progress of tanks, armored cars and other motorized war machines. It was believed that the Japanese forces will thus make fast progress in this area. On the other hand, however, the Nipponese forces will face extreme heat, which is more severe in this area than elsewhere. A veteran traveler and relief worker revealed that Kaifeng mosquitoes often assume the size of "man-eaters," several times larger than the variety seen in this part of China.

Japan Told Lower Living Standard "Unavoidable"

Finance Minister Seihin Ikeda this week warned Japan that a lowering of the living standard was "unavoidable. At a juncture when a nation is faced with an emergency," he declared, "a lowering of the standards of living is unavoidable." The new head of the treasury said he would make every effort to encourage exports, with a view to maintaining a balance of international payments. "Of course," he said, "there is no worry about the importation of arms and ammunition, as they continue to flow in smoothly." Ikeda refuted the charge that the recent fall in exports was caused by a decrease in the importation of raw materials, caused by the stringent exchange control system. Raw materials, he declared, may be imported freely if they are to be converted into goods destined for re-exportation.

To those who urged the treasury to use the specie reserves of the Bank of Japan for purchasing raw materials abroad, Ikeda replied that the question of tampering with the reserve had not yet been studied by the Government. The main difficulty in raising some of the restrictions on the importation of raw materials, he said, lay in the possibility that goods manufactured from these materials would be consumed domestically, instead of being exported abroad. Steps to prevent the sale of goods intended for exportation at home are now being studied by the Ministries of Finance and Commerce and Industry.

Macao Longshoremen Refuse to Handle Japanese Cargo

In protest againts Japan's aggressions against China, the longshoremen of Macao have decided to refuse to handle Japanese cargo, especially scrap iron destined for Japan. Seventy civic organizations in Nanchang have despatched a joint message to the Macao Longshoremen's Guild' expressing appreciation of the latter's patriotic stand. "Your decision is a blow to the aggressors," the message read.

Red Cross Builds New Camps for City's Destitute

DUE for eviction on June 10, some 25,000 refugees in Shanghai, squatters on private properties in the International Settlement were to be moved into new camps which were built by the Shanghai International Red Cross. Occupying private residential houses and unused premises of business firms, the refugee squatters have become a serious problem in public health, fire hazards and policing since the outbreak of the war. At the same time, landlords who wanted to use their premises have made repeated attempts to clear their properties of the squatters. As a result, the Shanghai Municipal Council decided to evict the squatters in February.

This measure, however, was postponed because the expulsion of such a large number of refugees would further complicate the local relief problem. Plans were later made for the final clearing of the squatters by June 10. To take care of the refugees who were to be evicted, officials of the Shanghai International Red Cross have during the past month made arrangements for erecting new camps. One of these, is located at the Fuh-tan University grounds, Avenue Haig. The new refugee center is designed to accommodate some 10,000 persons.

Another camp is located on Great Western Road. A large piece of land has been acquired by the Red Cross and the camps located at this place can be gradually enlarged as the need arises. Additional matsheds are also being erected at the Tunsin Road industrial camp of the Shanghai International Red Cross. At this place, another group of 10,000 will be housed. Relief authorities here believe that when the squatters are evicted a large number of them will not enter the new camps. Instead they probably will attempt to find their own living quarters. As a result, the total number of new refugees to be housed is likely to be smaller than expected to the present time. To finance the building of the new camps the Shanghai International Red Cross appropriated $60,000.

Rice Situation

There are now approximately 500,000 bags of rice stored in Shanghai. This is a sufficient supply for seven weeks. Twenty-five thousand bags, or 2,500 tons of this is the property of the Shanghai Municipal Council, bought duty free last December when a rice shortage appeared imminent.

"It is not the intention of the authorities to import any further foreign rice. The rice trades should now be in a position to look out for themselves," a member of the S.M.C. Food Committee told *The China Press* this week. The daily consumption of rice in Shanghai is between 8,000 and 9,000 bags. There is a sufficient quantity of rice coming here daily to satisfy all immediate requirements. As long as this supply continues uninterrupted there can be no question of a shortage.

"There is prospect of a rice shortage here at the end of August should the surrounding areas go unplanted this summer," one authority said. "I know there are 4,500 Koreans even now planting rice in Pei Shin Chin, near Hungjao, and consequently there will be an ample supply of rice this fall," Mr. R. K. Raphael, local rice broker, declared.

At the present time a sharp controversy is under way between the local Rice Shop Guild and the Rice Guild. The Rice Shop Guild, backed by powerful foreign and Chinese interests, are demanding an embargo on the export of rice from this city. They have been successful, at least to the extent of enforcing an export permit system in the French Concession. The Rice Guild, on the other hand, backed by equally it not more impressively influential interests, are demanding a free movement of rice in and out of the city. The basis of their contention is that there is now ample rice here and every reason to believe the steady inflow of rice from the surrounding districts will continue.

Cantonese Merchant's Donation

Ho Chih-ting, a Canton merchant, has donated $10,000 to the Kwangtung Provincial Government for urgent war relief. General Wu Te-chen, Chairman of the Kwangtung Provincial Government, has sent a special message of thanks to the donor.

$100,000 For Amoy War Relief

The Executive Yuan has appropriated $100,000 for war relief in Amoy. Half of the fund will be used for the succour of refugees in Kulangsu, and the remainder for relief of refugees who have fled from Amoy to the inland districts in Fukien. The Fu Hsing Corporation here has donated $100,000 to the Government for the work of relief of refugees from the various war zones.

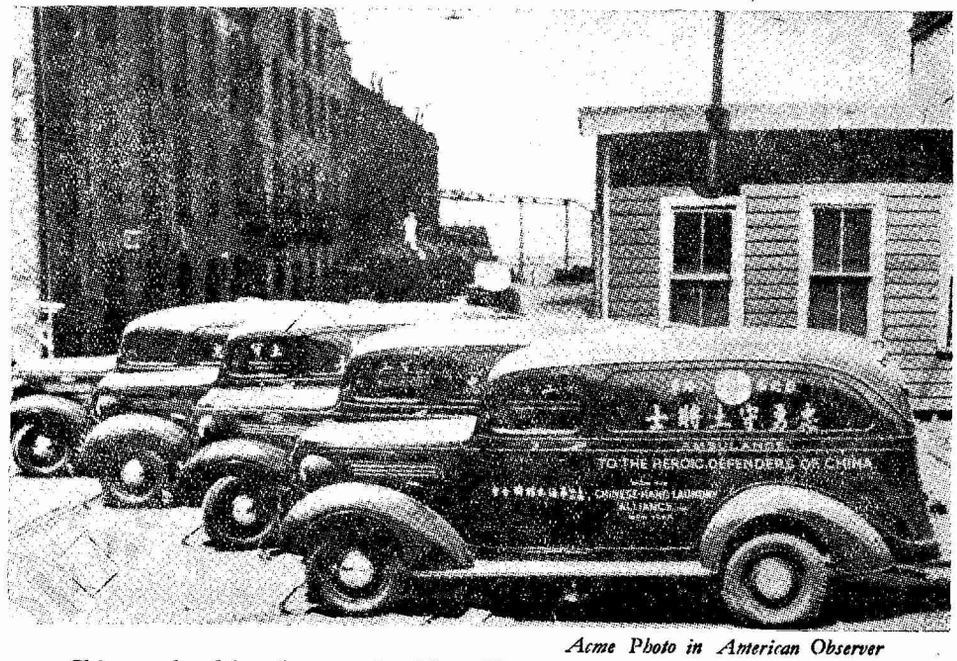
War-Time Food Control Bureau

In order to solve the problem of food supplies during the campaign of resistance, the Military Affairs Commission has decided to establish War-Time Food Control Bureaus (*Chan-Shih Shih-Liang Kuan-Li Chu*) in the various war zones. Each Bureau will be composed of four sections, respectively on general affairs, food storage, food readjustment, and food transportation, and will be headed by the Commander-in-Chief of the War Zone concerned. For the time being, only rice, wheat, and flour will be put under control.

"Bowl of Rice" Parties

"Bowl of rice" Parties, to be held in 1500 American cities on June 17, will be under the sponsorship of the United Council For Civilian Relief in China, according to Colonel Theodore Roosevelt, National Chairman. The parties were arranged because of a request by Mrs. E. F. Henry, Southern Methodist relief worker in Shanghai. Mrs. Henry informed the Council that 1600 babies born in refugee camps in Shanghai during the past four months were in danger of dying from starvation. The "Bowl of Rice" parties call for the eating of only a little rice on June 17. The money which would have been spent on the regular meals that day is to be turned over to the Council to be used for relief funds.

CHINESE IN AMERICA SEND MODERN AMBULANCES



Acme Photo in American Observer

Chinese hand-laundrymen in New York City—numbering 1,500—contributed $15,000 (U. S. Currency) to purchase four modern motor-ambulances for service in China. In addition they purchased $15,000 worth of drugs to be sent along with the ambulances. The donations amounted to U. S. $20 for each of the 1,500 laundry workers.

More American War Planes on the Way to China

Two large freighters, the British motorship Greystoke Castle and the Norwegian Triton sailed from San Pedro, Cal., on May 18, carrying the largest consignment of aircraft sent to China since the beginning of the war. The two vessels carry 19 Single-engined attack-bombers, each valued in excess of $200,000. The holds of the two ships were said to be filled with aircraft supplies, including extra engines.

Italo-Manchukuo Trade Pact to Be Signed June 9

Marking another step forward in their newly-found rapprochement, Italy and Manchukuo were to sign a treaty of commerce and navigation on June 9, *Domei* reports. Negotiations, which led to the conclusion of the accord, were conducted between representatives of the Manchukuo Government and the visiting Italian Mission in Tokyo. Conversations are also on foot for the institution of barter trade arrangements between Japan and Manchukuo on the one hand and the Italian Empire on the other.

Conquistadores or Colonizers?*

BY NYM WALES

WHEN Japan marched decorously over the broad plains of Manchuria in 1931 a phalanx of attorneys rose to her defense—journalists and travellers, admirers of bath-tub civilizations and non-admirers of China, "realistic" statesmen and no-holier-than-thou believers in empire generally. However, in 1937, when this same Japan put on a flu-mask, got into a military tank and proceeded to tread out a path over the bones of hundreds of thousands of Chinese citizens and soldiers (not to speak of flattening out the white man's position at the same time) these same attorneys blushed in shame and discreetly retired from the courtroom. Today the book-market is notable for its dearth of pro-Japanese volumes. The Japanophile is being replaced by a general Japanophobia. Only from Italy and Germany do we hear any special pleading. And the Wagnerian *crescendo* has also suddenly subsided into *diminuendo*, while the Kaiser's old "Yellow Peril" motif rises again in a thin minor strain.

It comes as rather a surprise, therefore, to find Canadian-American, Willard Price, appearing on the horizon as the lone crusader. His fervent apology for Japan in his new book, *Where are You Going Japan?** comes as an unexpected contribution, now that even such a veteran Japanese apologist as James B. Scherer has had his stomach turned by recent events. Especially inasmuch as Mr. Price does not deal with the Japanese people in his book (except in the first part)—of whom indeed he usually writes not only sympathetically but intelligently—but directs his lyrical enthusiasm toward that very process of empire-building itself which has shocked the so-called "civilized world."

The main purpose of Mr. Price's book seems to be to identify the Japanese military with the cherry-blossom—to reveal the true soul of those pure, idealistic, lovely things, twice-bathed daily, who are now bringing Beauty into the ugly lives of the Great Unwashed of Asia. Of course, the Japanese say the most beautiful thing is to die in young manhood like the short-lived cherry blossom. That being so, China has recently become a bit of a garden and a pretty example of the art of flower arrangement—for Japan has already nipponed-in-the-bud about 300,000 of the finest Chinese youth, together with 100,000 of her own. (Statistics of the battle of Hsuchow-fu are not yet available.) And all casualties cannot total less than eight or nine hundred thousand sons of China and a quarter of a million sons of Nippon, not to speak of the tens of thousands of women, children and men, old and young, who are daily victims of air bombings, artillery raids and wholesale burning of villages. But for Mr. Price all the ashes of the dead merely make good fertilizer for the cherry-blossom spirit, I suppose.

A Lafcadio Hearn Dream

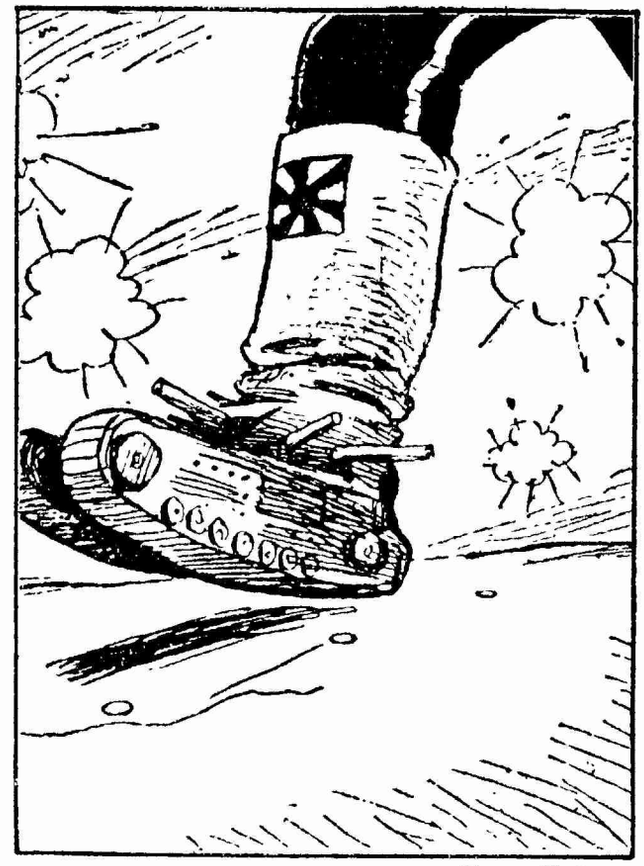
It is difficult for one, like the writer, who has experienced the current Japanese invasion of China and travelled in already-conquered parts of the Japanese empire, to take such a book seriously. It seems like some dream from the rustic days of Lafcadio Hearn. However, I have been told that it has been fairly convincing to people living abroad who have not been so unfortunate, so it is necessary to take the book at its face value.

Where are You Going, Japan? is a panorama picture of the Japanese empire. Its six sections are Japan in Japan, Japan in Manchuria, Japan in Korea, Japan in China, Japan in the Pacific and Japan in the World. It is a very charming picture drawn in the Japanese manner—all flat planes, with a single theme and no cluttering up of the background with any unharmonizing facts which might destroy the unity of the artist's conception. It is an appreciation of Japan's "civilizing mission," or we may quote the publisher's apt remark on the jacket: "Mr. Price claims to be disinterested— . . . Nevertheless the general effect of his book will be to increase our understanding of the Japanese and to make us more tolerant of their 'civilizing mission! The author is equally appreciative of the Chinese point of view, and *nowhere* betrays the least prejudice." That was clever of Mr. Price. The pose of objectivity is the finest kind of wool to pull over the eyes of the trusting reader.

I rather suspect that Mr. Price had his tongue in his cheek much of the time while writing this book, even though his heart seemed to be in his work. But if he actually believes in what he is writing, he is a remarkable case of tourist adult-infantilism for he has been exposed to four years of conducted tours in Japan and her imperial domains, which is usually enough to brush away the cherry-blossom cobwebs from the eyes of observers of any journalistic integrity. In any case what Mr. Price needs, as a follow-up on his previous experience, is to pay a social call on his adored Nipponese during their lesson to the Chinese in mixed blood-bathing here in China.

I cannot presume to quarrel with Mr. Price over the fact that I saw the Japanese method in Manchuria, Korea, Formosa and China in a different light, that I saw the other half of the apple which he politely avoided observing. There is no accounting for—eyesight. My criticism is not that he has intentionally lied—but that he has expertly presented those dangerous half-truths with a candid air of giving the whole truth. He has written a pretty travel-book, but a very false political document. Considered as a travel-book, there is not much point in wasting time questioning Mr. Price's observations. But if it should be mistaken by naive readers abroad as an honest study of Japanese imperialism, its basic fallacies must be exposed, and Price must be exposed, and Mr. Price must be

MIKADO'S "FRIENDLY" STEP IN CHINA



Toronto Clarion

taken to task...Before going into the latter, however, a few statements may be quoted to indicate the quality of Mr. Price's reporting, such as the following:

"Today the manufacture of aircraft is one of the major industries of Japan. Most of the 'planes in use in Japan are made there. Also Japan is beginning to export 'planes, motors and parts to the rest of the world, including the Uuited States." (p.89) (Then what, may we ask, is Japan doing with all the engines and planes imported, while other foreign models are being constructed in Japan under foreign license?)

"Mission schools (in Manchuria) are being urged to become more practical, to register, and to teach Japanese. As yet, however, they report very little actual interference—much less than under the Kuomintang." (p. 126.)

"He (a Chinese teacher) had come to the conclusion, he said frankly, that there was no propaganda for Japan or against China in the new books (school textbooks)." (p.120) "The stress of the old education was pro-Chinese and anti-foreign. The stress of the new is strongly pro-Manchukuo but anti-nobody." (p.122).

"The 200,000 bandits, when Manchukuo was founded, have now been reduced to about 10,000." (p.132) . . . "The bandits are considered too valuable to be killed, unless all other measures fail. They are bold, hardy and often inrelligent men, just the sort needed in the building of the new state." (137).

"Korea is an economic burden to Japan." (p. 190.)

***Willard De Mille Price, author of "Where Are You Going, Japan?" (Heineman, London), referred to in this article, is a native of Peterboro, Ontaria, Canada, who resided in the United States for many years. He has written numerous books and magazine articles on subjects concerned with the South Seas, but in recent years has devoted himself largely to subjects concerned with Japan and the Japanese point of view. He has resided in Japan in recent years but maintains his home at Tujunga, Cai.**

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Convincing—to Fourists

"Japan has at many times in her history evinced a godlike rightness that nothing could shake . . . She is a leader and an evangel." (p.241.)

Mr. Price's aim was clearly to explain, and justify, Japan's program for conquering and colonizing East Asia—not openly and candidly, but indirectly and insidiously. There are few facts —or arti-facts—of Japan's mission of "civilization" in his book which one cannot find in the abundant Japanese propaganda on the various subjects, but Mr. Price writes in the first person in a sort of travelogue, and uses the time-honored device of making the beneficiaries of the Japanese speak for themselves—that is, for the Japanese. Which is all very convincing—to tourists. For instance, he has an old Korean nun (wisely enough he did not choose a young Korean nationalist) feel very sorry for her country at first, then gravitate around to unwilling panegyrics about Japan's gift of railways, medicine and whatnot to Korea and conclude, "I suppose the world must progress; but it is all so painful." (What progress Japan has *prevented*, and what an independent Korea might have accomplished in the meantime, Mr. Price's nun never speculates about.) In the same vein his Mongol puppet-prince is as "Rich as Croesus," his idyllic Japanese farmer's wife wears silk, etc. etc.

Mr. Price writes in an interesting manner, and the first part of the book dealing with the Japanese people in Japan is very good. His mistake is in identifying Japan's military machine with the people themselves. In fact the whole point to his chapter, "Saga of Son-of-two-Acres," is to indicate that the Japanese farmer *benefits* from the military expeditions of empire, and it is on this assumption that he bases his plea for the validity of empire. There are many groups of Japanese who benefit from empire, but the farmer is the last on the list. In fact, he pays for it through the nose, and gets nothing in return—which is the reason for the acute agrarian problem of Japan. Mr. Price describes, but does not attempt to analyze, the nature of Japanese society; this is fortunate, for he does not understand it at all. And at the same time he admires the feudal survivals in Japan—a reactionary sentiment that is common to most admirers of Fascism and militarism. There are many admirable things about Japan, but her imperialist method is not one of them.

And now I must take up the fallacies in his interpretation of Japanese imperialism:

Mr. Price is himself sympathetic with imperialism (and Hegelian totalitarianism) and ridicules the notion of the self-determination of nations. And he is sympathetic with the military-Fascist movement in Japan which he describes by saying "Japan is nearer than at any time in modern history to a state socialism under military control." (which *socialism* will then spend its time pulling up the "Red weeds" in Nippon's imperial potato-patches). His basic assumptions are these: that Japanese imperialism is progressive and brings the benefits of modern civilization and industry to her colonies at the same time that it is the salvation of the Japanese *farmer* (!); that the Japanese army is actuated by idealism (he says of the Japanese soldier, "if he did not find the army sacrificial he would desert it in disgust—as people desert a religion that makes too few demands upon them."); that the Koreans, Chinese and other races are inferior and backward and their fate is therefore automatically in the hands of the superior Japanese.

Still A Semi-Feudal Society

The contrary facts are these: that Japan is not a *Modern* imperialist state, but a semi-feudal society of which the military power is a reactionary survival of samurai feudalism; that Japanese imperialism, therefore, is not a modern industrial, capitalist imperialism but belongs to the early conquistadore period of the Spanish pirates who looted and destroyed who civilization and gave nothing in return. Japan has no capital for export, no resources to develop industrialization in her colonies. Japanese imperialism, therefore, has three phases: First of all it aims to *destroy* the industry and *present* the independent development of her neighbors, by simple fire-and-sword, because Japan is too weak to bear the competition of Korea, China or even Manchuria. This is clearly shown by history. As soon as any progressive development occurs, the Japanese become frightened and mobilize an expedition to destroy it—as happened in Korea, in Manchuria and now in China. Second, Japan tries to loot these countries both by simple conquistadore methods (even to carrying off all the clocks and scrap iron in sight, including farming implements) and by systematic exploitation of the *people*, not of the resources, which latter requires capital. Then the third step, being now in control like a dog-in-the-manger, is to try desperately to put the loot of the imperialist expedition together with the last ounce that can be squeezed out of the people in Japan, in order to accumulate enough capital to *exploit* the resources of empire. This sum being inadequate, all Japan can do is to sit back and pray for foreign capital to invest—while in the meantime the desert she has created remains sterile. Therefore, Japan cannot and will not industrialize China, just as she has not industrialized Korea or Manchukuo. All she can do is to control the railways (as in Manchuria) and prevent anybody else from developing the resources of China. The economic reason for this contradiction (by which Japan *needs* colonies but cannot exploit them and can only put them under military occupation) is that Japan is a weak, half-capitalist country, with no natural resources. She, therefore, must try to build a new *heavy industrial base* on the continent, while keeping her light industries base functioning at home. Her militarist invasion destroys the *market* and purchasing power of the colony for her light industries (and for all other foreign trade), while at the same time she cannot accumulate enough capital to make any headway toward building heavy industries abroad. The result is a stalemate. Because of her basic weakness, Japanese imperialism is not productive but negative and 90% sterile. It is simply a Spanish conquistadore looting expedition, and not a capitalist *colonizing* force. It is an *army* destroying great progressive movements in Korea, Manchuria and China which Japan cannot begin to replace, even if she desired it for her own use.

The modern industrial Japan is a great progressive force in Japan proper, and also in fair trade in the world's markets, but the semi-feudal Japan which is an atavism from the samurai era and of which the Japanese army is the spearhead, is a different phenomenon and definitely a reactionary power—not only for the rest of Asia, but for Japan itself. It is a favor to the people of Japan to defeat this army no less than to those who suffer under its occupation. So long as the Japanese army remains undefeated, it will keep its reactionary dictatorship over Japan just as over Colonial areas.

The Japanese army brings *feudalism* to China—not modern industrialism. For this reason Japan aims to destroy not only all progressive institutions but even to reduce China to an intellectual desert and to restore the rotten feudalism of China's past. In many ways both China and Korea are far advanced over Japan, especially in intellectual development.

As to the "idealism" and "sacrificial" nature of the Japanese army. That is the theory, now what is the fact? The fact is that this army is the *vestigial remains* of feudalism, (and an infected appendix badly in need of operation) paying its soldiers in loot, rape, drunkenness and unchecked powers of revenge. It is regimented in peace but not disciplined in war. It is a survival of feudal militarism with a feudal code of unchecked cruelty and courage, but with none of the feudal chivalry of European soldiery which made them a little less barbaric in their depredations. Their treatment of Chinese women is only an intensification of the enslavement of the despised Japanese women at home.

No Civilizing Junket

And finally, Mr. Price's further assumption that Japan is destined to succeed in her imperial conquest by virtue of some mystic law of nature is very much a question for speculation. He has tried to "thrust" greatness upon her," but greatness is as greatness does—and not as such romantic Lafcadios imagine it will do. And intelligent Japanese would not be the last to suggest that he might better have entitled his book "Are You Coming or Going, Japan?"

Mr. Price is quite right, however, in implying that Japan is "going a-milking" when he asks "Where are you going, my pretty Japan?" Japan is going a-milking, but she is not going "a-civilizing" at the same time. Not only will she not create an "industrial revolution," in China, as Mr. Price fondly imagines. Her aim is to prevent this very industrial revolution, which was much too advanced for Japan's pleasure already. Her first "constructive act" was to destroy the 70% of all Chinese industry which was concentrated in Shanghai. The Japanese army has already intentionally destroyed at least 7,000 factories in Shanghai, including both the Settlement and native Chinese areas, and carried off all the portable machinery to Japan. Japan wants an agricultural market and source of raw material in China—and this is all she can aspire to having.

In short, Mr. Price's book does a great service to the most reactionary imperialist Fascist-feudal elements of Japan, and a great disservice to both Japanese and foreigners interested in getting correct information to aid in forming a judgment of the relative values of the forces in conflict in the Far East. It paints the Japanese picture in the best possible light, so readers need only remember that the rest of the story is very dark indeed.

The Japanese consider Mr. Price their best foreign apologist at present. And indeed after reading this volume one must conclude that such delicate *finesse* makes the earlier attempts of George Bronson Rea and H. W. Kinney appear crude and primitive in the extreme. But "apologist" is not the correct term. I think that Mr. Price does not apologize for, but *believes in* Japanese imperialism, just as he loves their *papier-mache* houses and their samurai ceremonies. But he is believing in a *papier-mache* imperialism too, and after the samurai ceremony is over, it is likely to be Japan and not China who will collapse and be re-civilized.

This is Mr. Price's second book as attorney for Japanese imperialism. His first, *South Sea Adventure*, was published originally by the Hokuseido Press. This book was written about a tour of Japan's mandated islands in the Pacific, and Mr. Price repeats in the present volume his conclusions on this subject: "One condition of this mandate was that Japan should not fortify the islands. Japan has not done so." (p.253).

The saying of which was doubtless the reason why he was permitted to make his tour, though for some reason other journalists are forbidden access to the same information.

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Nanking and Taierchwang—Where Japan Lost the War

BY PETER SOUTH

TO Japan's high hopes for a quick, decisive and overwhelming victory in China, two cities proved their undoing, smashed their morale, exposed the myth of their invincibility. The two cities were Nanking and Taierchwang.

Japan first began to lose the war in Nanking. On the surface, it may appear naive to base such a supposition on so slender a thread of evidence—the evidence of excessive sexual activity in a nation's army sporting itself in conquered territory. But this fact stands out clearly and boldly: that if Japan had not halted in Nanking to indulge in a wild orgy of debauchery, if they had followed up the capture of the former capital, Wuhu and Hangchow with a swift drive on Hankow, the results of the war so far could quite possibly read far differently today. Instead, after the capture of Nanking, Japanese troops spent the next three months in a Roman Holiday of pillage, rape and murder. Lawless and semi-mutinous, they sacked the city, killed at will. They became demoralized and utterly useless as a fighting force. Hangchow, Wuhu and other towns and villages in the Yangtsze Valley were carbon-copy duplicates of the Nanking

AFTER TAIERCHWANG!

From Le Canard Enchaine, Paris

"Why didn't Japan Appeal to the League after her defeat at Taierchwang?"

orgies. The Japanese Army, up to that time a fairly powerful fighting machine, became a marauding band of *sake*-filled soldiers, most of whom were riddled with disease. Groggy with sexual debaucheries, they were easy prey for roving groups of Chinese guerillas.

But, if they had acted as a well-disciplined army, quickly consolidated their positions and then marched swiftly on Hankow, the war may have been forced to an abrupt end. Nanking, treated as a vast *Yoshiwara*, to which they are accustomed to in Japan, proved their nemisis.

However, as Japan's Army sunk deeply in the mire of barbarism, things were happening to the Chinese with which they had not reckoned. By the time Japan began to emerge from its sensual holiday, Japan was confronted with a new China and a new army. Political and personal animosities of long standing had been buried, temporarily at least, in a common determination to resist to the end. The excesses of the Japanese in the cities they captured convinced even the most reactionary Chinese that death was preferable to Japanese conquest. This new spirit quickly spread to the army.

Horrors of Nanking

What at first was nauseating horror to the Chinese, quickly dissolved into white-heat hatred. In Nanking Chinese witnessed such scenes as described by F. Tillman Durdin, in the *New York Times*:

"After killing the Chinese soldiers who threw down their arms and surrendered, the Japanese combed the city for men in civilian garb who were suspected of being former soldiers. In one building in the refugee zone 400 men were seized, They marched off, tied in batches of fifty, between lines of riflemen and machine gunners, to the execution ground. Just before boarding the ship for Shanghai the writer watched the execution of 200 men on the Bund. The killing took ten minutes. The men were lined against a wall and shot. Then a number af Japanese, armed with pistols trod monchalantly around the crumpled bodies, pumping bullets into any that were still kicking."

But the brutality towards able-bodied men was not all. While Nanking was almost completely isolated from the rest of China, Japanese soldiers perpetrated horrors.

The Japanese soldiers combed the former Chinese capital looking for money, loot and women. Many Chinese were maltreated because they had nothing to offer the Japanese when the soldiers came around. Women between 16 and 60 years of age could expect the worst if, they were discovered. There is one case in Nanking where a group of Chinese saved their women only by hiding them under a huge pile of lumber. Every few days the entire lumber pile was removed, food and water passed in to the women, and the lumber carefully piled up again so that there would be no indication or trace of women.

The situation throughout the city was horrible for many days, and the protests of foreigners to Japanese diplomatic officials seemed to be of no avail. With fifty thousand Japanese soldiers in the city the Japanese had provided seventeen military police to enforce discipline. Naturally, this small force was helpless, as were the Japanese diplomatic officials, who seemed to be at a loss o know what to do curb the excesses of the soldiery.

A German who was familiar with happenings in Nanking following the Japanese occupation stated that at least 20,000 Chinese women and girls had been violated by Japanese soldiers. Many of the girls were practically infants and there were two authenticated cases of rape of old women, one 72 and the other 76. Another well authenticated report stated that at least 8 percent of all Chinese women between the ages of 16 and 50 had been raped by Japanese soldiers since the coming of the Japanese army to the Nanking district.

Commit Cardinal Error

Up until the Nanking debauchery, Japanese calculations for the conquest of China had been carried out with clock-like precision, except for an unexpected temporary delay at Shanghai. But then as they swept on in Shansi, in Shantung, in Anhwei, they committed the cardinal military error of underestimating their opponent—the revitalized Chinese army. For errors of this sort, the inexorable laws of war always demand a heavy price—a price which the Japanese army is now paying, in blood and prestige.

Affairs even went fairly well for them until they reached the Grand Canal in the Taierchwang area. And there was where Japan lost the war for the second time. The army was staggering when they reached the outskirts of Taierchwang. For, like a nest of hornets, Chinese guerillas had swarmed down upon the railway between Tsinan and Yenchow, cutting it in no less than 40 places within a period of a week, As fast as it was repaired in one place it was cut in another. General Pai Chung-hai, in immediate command of the Chinese attack, pushed out a flank guard to Lini, which battled savagely and successfully to hold off Japanese relieving forces coming from Tsingtao by road, while with his main force he surrounded Taierchwang, and on the left, General Li Tsung-jen kept the Japanese fully occupied in defending Hanchwang and Tsining. Japanese losses began being chalked off in large figures. Their supplies of ammunition and gasoline gave out. Then striking swiftly and fiercely, the Chinese smashed their way through Taierchwang. And when the smoke of battle had cleared, there were 40,000 dead and wounded behind them in the smoking ruins of the town. And thus did the Japanese army sustain its first major disaster in the history of modern Japan. It was definitely a blow from which Japan has not yet recovered. Dissension followed in Japan; army commands were changed, the war minister made a personal trip to the battlefields, and one and one-half months later its repercussions were still going on in Tokyo. The cabinet was reshuffled as three men resigned. A new minister and vice-minister of war was appointed and, to bolster the military clique, the former militant Minister of War, Sadao Araki, was given a key post—Minister of Education. Japan's disastrous Taierchwang defeat came on April 7, but two months later Japan was still suffering under the blow.

It was this last and most costly blow which has dimmed Japan's chances of winning the war. Japan's finances had dictated

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that she must win a swift victory or else face a possible financial collapse. Her chances for the quick and decisive triumph faded when she tarried at Nanking. General Matsui, hailed by Japan as a crack military man, proved himself a commander with little foresight. If he had been a strong leader, he would have cracked the whip over his undisciplined troops and ordered a campaign against Hankow, then not prepared to resist a Japanese attack. Little wonder Tokyo recalled him to his homeland. Now, with a military expenditure estimated at between 15 and 20 million yen a day, Japan can not force her campaign much longer in the face of Chinese resistance which appears to be capable of unlimited endurance.

Japan's Loss of "Face"

But Japan's worst blow is her loss of "face"—an all-important item in the Orient. Taierchwang shattered the legend of Japanese invincibility. Since then, Japan has done nothing to restore it. For though their defeat has been carefully hidden from the Japanese people, it can not be hidden from the soldiers; and it has long been the belief of observers who have closely studied the Japanese military character that defeat, hitherto unknown to them, might not be sustained with fortitude. Now, with the military caste in virtual absolute power, they are staking their on an ultimate victory in China. If they fail again, then no man can predict what will happen in Tokyo.

Hankow Clamps Down On Remittances to Areas Under Japanese Control

RESTRICTION of remittances to areas under the control of the Japanese was among the important resolutions adopted by the Bankers' Conference, which ended in Hankow June 3. Every facility, however, is to be given for remittances to territory under the control of the Chinese Government. Other resolutions included:

(1). Encouragement of export industries and also of facilities for remittances to China from overseas Chinese.
(2). Continued efforts to collect gold and silver.
(3). An increase in the number of local financial organs.
(4). Encouragement of frugality and savings.
(5). Encouragement of production of daily necessities.
(6). An increase in the amount of agricultural loans.
(7). To continue giving credits.
(8). The training of competent men as financial experts.

Financial conditions since the start of the present hostilities were reviewed at the closing session of the conference by Dr. H. H. Kung, President of the Executive Yuan and Minister of Finance. Dr. Kung declared that outside the war areas, where withdrawal of deposits became evident when warfare threatened, deposits in banks in the interior had increased, especially in Hankow and in the provinces of Kwangtung, Szechwan and Hunan, although many banks had ceased to give interest on current deposits or had reduced the rate. Furthermore, the finance minister said, while many banks had removed their offices when areas were evacuated by the Chinese Army, few of them had closed their doors since the war began, and those small local banks which had found it necessary to suspend operations owing to bad business had all been able to pay their depositors.

Despite the war, he noted, there had been continuous demand for Chinese currency notes in the interior. The amount of remittances had shown a great increase since the beginning of the war, especially from threatened areas to Szechwan, Hunan, Yunnan and Kwangtung. One of the gravest problems before them, Dr. Kung said, was to alleviate the plight of the farmers who not only lacked capital but had been hard hit by the falling prices of farm products and by transportation difficulties resulting from the war. He urged credits to farmers and the raising of the prices of farm products.

Called Significant Move

Commenting on the Bankers' Conference, the Chinese daily, *Morning Leader*, noted that it was a "significant move which, we believe, will achieve successful results regarding the future of China's wartime finances. Capital is one of the most important factors in the National economic structure and has a close bearing on the social setup. This is to be illustrated by the trend of business in Shanghai. At a certain time when local financiers and capitalists invested their capital in cotton weaving and spinning, there is a great boom in the textile industry, while at other times, they turn their eyes on land business, the land value immediately rises up in response. During the past few years, Shanghai financiers have shown considerable interest in railway construction, extension of rural credit loans and development of power industry in Chekiang, and as a result remarkable progress has been made in these fields in that province.

"As capital is so useful in time of peace, its utility is increased in time of war. In peaceful times the fluctuation of currency is allowed to take its natural course, but in time of war the currency situation should be strictly controlled. Prior to the convention of the conference, the Ministry of Finance instructed the four government banks, (the Central Bank of China, Bank of China, Bank of Communications and Farmers Bank of China) to increase the issue of one-dollar notes for the circulation in rural districts. It has been further stipulated that these notes should be used in the extension of rural credit loans and mortgage. In other words, these measures are designed to readjust rural finances, which is said to be one of the aims of the present financial parley.

"Farmers occupy the largest portion of China's population, and farming products hold the first place among China's products. Our national revenues are mostly derived from agricultural resources. It is therefore necessary that the 3,500,000,000 Chinese farmers be enabled to pay the taxes on which the government depends for national income. But this is no easy task, as China's rural economy has been on the decline in recent years. It is impossible to except the starving farmers to shoulder a such a heavy burden, if no measures should be adopted to improve the economic situation in rural districts. We, therefore, hope that our financial leaders at the present conference will see to it that proper and effective steps be taken to achieve this important task. However, readjustment of currency in rural areas is not the only measure for the rural rehabilitation. In recent years Chinese banks have invested no small amount of money in farming districts. For instance, the Bank of China and the Shanghai Commercial and Savings Bank have established granaries and organized cooperative societies in rural areas to give loans to the needy farmers. But what accomplishments have they made? As a matter of fact, most of the cooperative enterprises have been in the hands of landlords who have been extorting the poor peasants under such a pretext. We earnestly hope that the Chinese authorities will pay equal attention to the betterment of the livelihood of the peasants in order to develop this potential power essential to the ultimate success of our resistance campaign."

Exchange Here Not to Re-Open

Shareholders of the Chinese exchanges in Shanghai have decided to suspend their plan to re-open the exchanges since the puppet "reform government" in Nanking has decided to collect special taxes on the exchanges. Representatives of the five Chinese exchanges in Shanghai went to Hankow some time ago to discuss with the Ministries of Economics and Finance of the National Government plans to re-open these exchanges. Although permission was obtained from the government to resume business, the exchanges have definitely decided not to register with the puppet regime in Nanking and not to pay taxes to the puppets.

A special committee was organized by the puppets to revise the regulations governing the organization and function of Chinese commodity exchanges in Shanghai. One of the most important articles of the regulations to be revised is that of the provisions regarding ownership of the exchanges. According to the present plan of the puppet regime, foreigners will be allowed to become shareholders as well as brokers of the exchanges, so as to bring about "Sino-Japanese co-operation" in the market of exchanges.

Concerning Bank Notes

Reports to the effect that legal tender notes, bearing the names of Shanghai and Hongkong will not be allowed to circulate in North China by the puppet "Provisional Government" in Peiping after June 10, are received with great concern by local financial circles. This decision of the puppet regime in North China, however, according to prominent Chinese bankers, will not effect the local market as very few legal tender notes bearing the names of Shanghai and Hongkong are now in circulation in North China. The majority of legal tender notes circulated in North China bear the names of Peiping, Tientsin, Tsingtao and Tsinan. At present $338,192,605 legal tender notes are in circulation in North China, of which $36,186,905 were issued by the Central Bank of China, $164,975,700 by the Bank of China, and $78,560,000 by the Bank of Communications. The remaining notes were issued by the Land Bank of China, Joint Savings Bank, Continental Bank and others. Despite the order of the "Provisional Government," prohibiting the circulation of Chinese legal tender notes in North China after June 10, confidence of the people toward these notes has not been shaken. The amount of legal tender notes in circulation in North China has actually been increased in the past week, according to financial circles.

The Shanghai branch of the Bank of China has been instructed by its head office in Hongkong not to accept the notes issued by the Agricultural and Industrial Bank of China and the "Pao Shang Bank" in Tientsin. This step, it is stated, is taken in view of the fact that the design of the notes issued by the two Tientsin banks is similiar to that of the notes of the Bank of China.

(*Continued on page 72*)

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Japan Takes Steps to Halt Decline of Exports

JAPAN'S purchases abroad will be increased, to enable the country to expand its sales in foreign markets, Finance Minister Seihin Ikeda this week told the press in his first important pronouncement of policy. Increased purchases abroad, he intimated, were expected to give a "powerful stimulus to Japan's presently lagging exports." Officials of the Treasury and the Ministry of Commerce and Industry, which he heads concurrently, are now preparing concrete measures for increasing Japan's purchases of raw cotton abroad, Ikeda revealed.

Later, definite steps will be taken to increase purchases of other important raw materials, needed by Japan's export industries. A recommendation to revise drastically the existing restrictions on the importation of materials required by non-military industries was made last week in a petition presented to the Treasury by five economic organizations. These included the Japan Economic Federation, whose membership includes every prominent industrial and commercial concern in the country.

Treasury officials also revealed that the shares of the projected North and Central China Development Companies will be sold through the member-organizations of the Banking Syndicate. Originally, it was proposed that the shares be sold exclusively through the Industrial Bank of Japan. The syndicate includes all the leading private banks. In view of the appointment of Ikeda to the Finance portfolio, the chairmanship of the Central China Development Company which he held previously will be given to Baron Seinosuke Goh, who already heads the organizing committee of the North China firm.

At the same time, the Ministries of Finance and Commerce and the Cabinet Planning Board are jointly formulating a plan for the restriction of exports of Japanese manufactured goods to "Manchukuo" and North China, according to the *Industrial Daily News*. The Japanese Government, states the journal, desires that Japanese exports be directed to other countries, presumably because of the vital necessity of building up its foreign exchange funds.

Control Over Industry And Trade

Gathering from the expressions made by Ikeda, the state control over industry and trade will be further strengthened in the future, instead of being weakened, although the matter also depends on the future developments in connection with the "China Incident," the *Tokyo Nichi-Nichi* comments. The question which arises here concerns the concrete methods of control and other related matters and indications are that Minister Ikeda considers there is a room for reconsideration and re-examination and accordingly is planning to open a new phase in this direction. After taking over the affairs of the Ministry of Commerce and Industry from his predecessor, Shinji Yoshino, Minister Ikeda granted an interview to the newspapermen May 27, during the course of which he set forth his views in regard to the future administration of the ministry as follows:

1. Question of Import Exchange License

"The first thing that I intend to examine is the question of import exchange license. I have often heard that the Ministry of Finance has not issued the license for import exchange so easily even in cases wherein the Ministry of Commerce and Industry has issued the license for imports. I should think that there could be no such things under ordinary circumstances but the fact is that there have been such things. As officials of the Ministry of Finance are now said to be also working within the commodity adjustment bureau of the Ministry of Commerce and Industry to promote close connections in this respect, it is my intention to study the point closely. If no satisfaction can be expected under the prevailing conditions, a reform of structure may have to be considered.

2. Question of Promotion of Trade

"It is said that five civilian organizations have met together and replied to the government query in regard to measures to promote trade. Indications, however, are that the undertaking of the civilian organizations proved a failure through too much argument and there is no such thing as an agreement in opinion among the five civilian organizations. The Government has been asked merely to make a proper selection from among various views which have been expressed, so to speak. My opinion is that it is necessary to carry out what measures are had in mind regardless of their details. Of course, it is difficult, if not impossible, to expect that every bullet will hit its mark. It has been suggested, for instance, that larger quantities of raw materials required for manufacturing exports be imported. I am inclined to think that the suggestion deserves a careful consideration. However, it will be a mistake to think that more imports of raw materials will necessarily be followed by more exports.

3. Question of Commodity Prices:

"I could not attend the meeting of the commodity prices commission but it is my opinion that the method of considering the question of commodity prices centering around the daily necessities, which has hitherto been adopted, is very good. I believe that considerably strong measures must be taken to check the rising tendency of the prices of daily necessities. However, it is doubtful how much can be expected from the enforcement of such regulations as the regulations governing the control of profiteering.

4. Question of Profits of Munitions Companies:

"It will be inevitable that the industrial companies must be allowed to gain profits in order to effect an expansion of the productive capacity of the nation. Even those companies which are connected with the munitions industry cannot be expected to expand their productive facilities no matter how great are the profits which they may gain at the present time if it is impossible for them to gain any profit three or four years later. Therefore, those companies must be allowed to gain considerable profits. Further, the term of writing off the capital cost of facilities should be shortened from 10 years as heretofore to five years. In regard to the restriction of dividend, it may be observed that as the companies concerned have been enforcing a spontaneous restriction, there is no need for any government control in this direction.

5. Question of Reform of Administrative Structure:

"It has been my advocacy for years that the Ministry of Finance and the Ministry of Commerce and Industry may as well be merged into a Ministry of Economics. Accordingly, there are some people who think that my assumption of the portfolio of Finance and the portfolio of Commerce and Industry at the same time is a prelude to the creation of a Ministry of Economics. The fact, however, is that they are two separate questions at the present time. At any rate, I am minded to make a close study to see whether my long advocacy is right or wrong."

Price Control Measures

The Central Price Control Commission of the Ministry of Commerce, meeting in Tokyo, May 27, decided on the following measures to be adopted toward price issues:

1. Improvement of Transportation Facilities:

In view of an important bearing of the freight and transportation factors upon the general commodity prices, a special technical committee shall be appointed to study the methods of improving the transportation facilities, to investigate and deliberate upon the following items:

(1) Measures for lowering transportation charges.
(2) Measures for smoothening transportation activities.
(3) Measures for improving connections among respective transportation organization.
(4) Other measures for the improvement of the transportation facilities.

2. Selection of the Commodities for which counter-measures should be adopted in view of the current price situtaion, and the selection of the expert committees classified by commodities of which the establishment is deemed immediately necessary. In connection with the concrete measures for the checking of the price advance for various commodities, efforts shall be made to pick up those commodities specially picked up, expert committees shall be established to conduct surveys and deliberations. Those commodities deemed to necessitate immediate counter-measures, those for which the price control measures may be taken to a certain extent in this country, and those for which the immediate counter-measures are considered necessary when compared with the commodities being subjected already to the supply-demand adjustment treatment, shall be as follows:

(1) Fibrous articles, cotton manufactures, wool manufactures, hemp manufactures.
(2) Foodstuffs.
(3) Chemical industrial products, industrial chemicals, medicines, rubber and rubber manufactures.
(4) Metal manufactures.
(5) Fuel.
(6) Paper and miscellaneous articles. (Paper, building materials, hides and leathers, and their products. Miscellaneous goods).
(7) House rents, land rent, communications expenses.

3. Fixation of Official Prices and Standard Prices, and the Policy for the Operation of Those Prices:

(1) In view of the status quo of the price condition in Japan, it is necessary to check the advance of prices according to a firm and concrete policy. The Government shall clarify such a policy to the public for the full-hearted co-operation of the people at large.

(2) The restriction of the prices within the limit within which the present exchange rates may be maintained, the supply of munitions materials may be stabilized, and the national living may be stabilized in accordance with the current situation, shall be the goal of the Government price restriction policy.

(3) The official prices and the standard prices, although they may be fixed and decided in full consideration of the surrounding circumstances of the commodities concerned, shall be based upon the following as a rule:

(*a*) Imported articles shall be based upon import prices.
(*b*) Export articles shall be based upon overseas market quotations.
(*c*) Living necessities and other general domestic products:

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With special care being taken not to let the prices advance above the current level, the prices shall be lowered to the level preceding the outbreak of the China Incident in accordance with the respective individual circumstances.

(4) The official prices and standard prices shall be fixed, as a rule, at all stages of retail, wholesale or production activities. In connection with prices over raw materials, manufactured goods which serve as raw materials or materials shall be affected.

(5) In operating the official prices and standard prices, the Government shall not only resort to proper and appropriate measures but also shall systematize the industrialists concerned in accordance with the relative circumstances so that they may also take proper measures on their sides.

4. Connections with Prefectural Price Control Committees:

The prefectural price control committees shall be tasked with the investigation of and deliberation upon matters necessary for the supervision and control of prices of commodities concerned for which the Central Price Control Commission has decided upon certain measures, and also with the investigation of and deliberation upon concrete measures for checking local commodity prices. The Ministry of Commerce and Industry and the Prefectural Governments shall be tasked with the activities for the smooth connections between the Central Price Control Commission and the prefectural price control committees.

Chinese and Japanese Reports On Nipponese Losses

Japanese naval aircraft in May carried out 1,800 raids upon Chinese military objectives ranging from the Lunghai Railway to the creeks of Kwangtung. In these attacks, the Naval Section of the Imperial General Headquarters announced last week, more than 900 tons of explosives were dumped by the raiders upon the targets below.

During the month, the statement asserted, naval aircraft had brought down 21 Chinese planes, and destroyed five grounded machines. These figures included two and three planes respectively of whose destruction there was no certainty. These losses, the communique said, had brought the number of "liquidated" Chinese aircraft since the commencement of hostilities to 974, the figure including "uncertain" destruction.

During the three months from the end of February to the end of May 2,130 Japanese soldiers were killed and 8,586 were wounded in battles in southern Shantung and Hsuchow, the Army Section of the Imperial General Headquarters announced last week. The Japanese troops achieved the objectives of the campaign, the communique said, by crushing more than 200,000 Chinese soldiers along the Tsinpu and eastern Lunghai Railways. The communique mourned the loss of the Japanese soldiers during this campaign and expressed high praise for their bravery.

648 Japanese Airplanes Shot Down, Say Chinese

In a period of ten months from July 7, 1937 to May 31, 1938, 648 Japanese airplanes were either shot down or destroyed on ground, according to a spokesman of the Chinese air force. Altogether 1,064 Japanese fliers were killed and wounded and 27 taken as prisoners. Japanese reports of heavy losses of Chinese planes in the past few months were emphatically denied by the spokesman. On April 29 when 21 Japanese airplanes were shot down after a serious of dogfights over the Wuhan cities and two Chinese planes were destroyed, the Japanese declared that 52 Chinese airplanes were shot down by the Japanese and only two Japanese planes were lost.

On May 31 when 14 Japanese airplanes were shot down by Chinese over Wuhan and two Chinese planes were destroyed, the Japanese declared that 20 Chinese planes were shot down by the Japanese and only one Japanese plane was lost during the aerial combat. In regard to Japanese reports to the effect that Japanese fliers do not take parachutes with them as they are prepared to die, the Chinese spokesman declared that a number of Japanese fliers were arrested when jumped off their planes by parachutes. Instead of knives used to cut their abdomen, the Chinese spokesman declared, pictures of girls, love letters, slippers used by women, and "thousand stitch cloth" (Japanese believe that this cloth can protect one from death) were found in Japanese planes or the dead bodies of Japanese fliers.

Gunman Kills Two in Theater

Yu Shih-chih, 28-year-old official of the International Business Machine Corporation, 220 Szechuen Road, died in St. Marie's Hospital June 5 from a wound in the shoulder, sustained at the Lyceum Theatre the previous day when he was shot by an unknown attacker who escaped. The murderer's toll was two, as Chen An-chien, 30, manager of the same corporation, was shot through the throat and killed at the same time. French Police pursued investigations, but the gunman are still at large. Both men were hit by the same bullet, only one shot being fired in the crowded theatre where they were attending a Chinese charity concert. Both were strictly businessmen, police learned, and had no political activities. It is believed that the shot was aimed for Chen, and that Yu was an accidental victim. Revenge for personal motives is held to be the reason for the shooting.

Child Welfare Association Here Appeals for Funds

An appeal for funds to enable the National Child Welfare Association of China to carry on its work in the relief of underprivileged children under the care of the association during 1938, has been made by Mrs. Milton J. Helmick, chairman of the organization's financial campaign committee.

Mrs. Helmick reported that the association conducted, among other work, emergency relief in Szechuen, Kansu, Shensi and Honan at the beginning of last year, when famine conditions had gone from bade to worse. As a result of the visit of T. S. Chen, the association's associate general secretary, who was especially sent by the group to consult the local authorities, more than 6,000 famine-stricken children were taken care of in 12 relief camps in Szechuen and in five such camps in Kansu for a period of one year. The association also aided homeless children in war-torn areas.

In spite of the hostilities here, Mrs. Helmick said, the association continued its administrative work in connection with child protection, child health, child education and child study. However, the demonstration centers, such as the nursery for laborers' children in the Yangtszepoo district; the free clinic for children in Chapei; the sanitarium for tubercular children in Kiangwan and the institution for stranded children in Chapei, had to suspend operations, she said. However, the work of the Child Welfare Home has been spurred because of the curtailment of other activities.

N. Y. K. Said Swamped with Orders

Overwhelmed by orders for shipping space, the Nippon Yusen Kaisha is urging exporters in Kobe and Osaka to refrain from sending their goods to Shanghai for the present, the *Shanghai Mainichi* reported this week. On the basis of this unprecedented demand for shipping space, officials of the N.Y.K. were quoted by the daily as predicting that the exports of Nippon-made goods to this city will remain heavy in July, despite the enforcement of the new tariff schedule. Numerous enquiries on the new Customs rates were said by the journal to have been received by the N.Y.K. from exporters in Japan's major cities. The introduction of the new tariff was regarded by officials of the N.Y.K. as a potent stimulus to Japanese exports to China, in view of its "stabilizing effect upon Sino-Japanese trade."

Numerous freighters were said by the journal to have been placed by the concern on the Japan-Shanghai run to cope with the demand for shipping space. At least four N.Y.K. vessels were said to be scheduled to enter Shanghai between June 14-19 with goods destined for Chinese consumers.

Local Commentator Criticised by Japanese

Erroneous assertion by a local foreign news commentator that all persons entering the Hongkew district would be required to have cholera innoculation certificates was subjected to a bitter verbal attack by a Japanese naval spokesman here last week. Statements of this nature, he declared, "mislead the uninformed" and produce friction between the Japanese forces and third Party nationals.

Magazine Accused of "Mendacious Propaganda"

Describing it as an example of "mendacious propaganda," a Japanese Embassy spokesman on the same day pointed to two illustrations appearing in the June 1 issue (No. 3) of the *Ta Mei Pictorial*, American owned magazine, purporting to show Japanese prisoners "in Wuhan concentration camps." The two pictures, the spokesman pointed out, had been "lifted" from page 16 of the April 20 issue of the Asahigraph (Vol. 30, No. 16), an illustrated weekly published in Tokyo. They were captioned as having been taken on the Tsinpu line sector and showed bearded Japanese soldiers engaged in setting up exercises.

Canton Detains German As Spy

A British woman, Miss Kathleen Weston, 23-year-old native of South Africa, and Mr. Karl Rein, German, were arrested by Canton authorities last week because of suspected espionage activities on behalf of Japan. Miss Weston was released June 2 following representations by the British Consulate in Canton, but the German prisoner is still-being detained. Both prisoners spent three days in jail at Canton, including last weekend when Japanese bombs fell dangerously near their cells during the devastating Japanese air raids. One bomb fell only 100 yards from Miss Weston's cell but she was not wounded.

German Priest Slain by Chinese, Japanese Say

A German Catholic priest, the Rev. Father J. Beck, stationed in Yishien, Shantung town north of Taierchwang, was slain by Chinese plainclothes men midway between Tsaochwang and Lincheng on May 19, according to a *Domei* report received in Peiping. He had been missing for the past 12 days and an extensive search for him had been made by Japanese authorities. The Chinese band was said to have been led by a chieftain named Tsui Wang. Details of the case were not known.

Szechuan Opens It's Door to the World

BY HIN WONG

INNER-MOST west China, particularly Szechuan and Sikang once practically impenetrable due to poor means of travel, is now offering to open her door to the world, not only inspiring but also is actively engaged in inviting foreign interest. It may be said at the same time that now is the opportune moment for foreign friends already in, or hoping to come to China and who are interested in the development of this land, to respond to the invitation of the Chinese people who in spite of their sad past experience, still believe in the open door policy as the best means for the preservation of self-existence and the promotion of international peace.

Everywhere in Szechuan, one of the most important sectors off China's "life-line" in her western territory, the people are literally digging their way out to the world. Sometimes labor corps of more than a thousand strong, noticeable within sight of a traveler at any point, may be seen busy at work on the inter-provincial highway system which will eventually reach the Indian Ocean and Europe by way of Burma and Russia. With Chengtu, provincial capital of Szechuan, as a starting point, roads are being used, while some one still under construction, or projected to Yunnan, Tibet, and Sinkiang, whence Indo-China, India, and Russia may be reached. More than 5,000 kilometers of public highways in Szechuan are now open to public traffic, with many miles more fast being completed.

Since the provinces of Yunnan, Kweichow, Shens, Hunan, Hupeh and others now also possess fine imotor-roads, the Chinese Post Office is now able to put more than 60 more motor-trucks in service. Instead of depending wholly no the Canton-Hankow Railway for the transportation of east and north China mails, as has been done since the closure of Shanghai as a transhipment point, the Hongkong-Haiphong-Hanoi-Kunming route is now also being used. From Kunming, or Yunnanfu, capital of Yunnan, mails are now brought to Kweiyang, Changsha, Hankow, and Chengtu. It is now no longer necessary to transmit mails to Sian from west China by way of Hankow through the Peiping-Hankow and the Lunghai Lines. There is daily bus service from Szechuan to Shensi by means of the Chnegtu-Paochi-Highway.

New Air Service

To those desiring and requiring more rapid transit, the Eurasia and the National China Aviation Corporations, all under the supervision of the Ministry of Communications have made Chengtu a union station for west China airline. In the latter part of May, the China National Aviation Corporation inaugurated a semi-weekly service between Chungking and Kiating in Szechuan via Luhsien and Suifu, Round trips are made on Mondays and Fridays. This enables persons from Hankow to visit the famous Omeishan Mountains, the shrine of Buddhists, within a day, if necessary, by way of Chungking. Now-a-days one may travel to south China from Szechuan any day in the week. The Eurasia has a semi-weekly service to Hongkong via Hankow and Changsha from Chengtu, while a C.N.A.C. 'plane leaves Chungking for the British Colony every monday, Wednesday, and Friday. From Chengtu there is daily service to Hankow, whence, in turns, the Eurasia has express service to Hongkong three times a week.

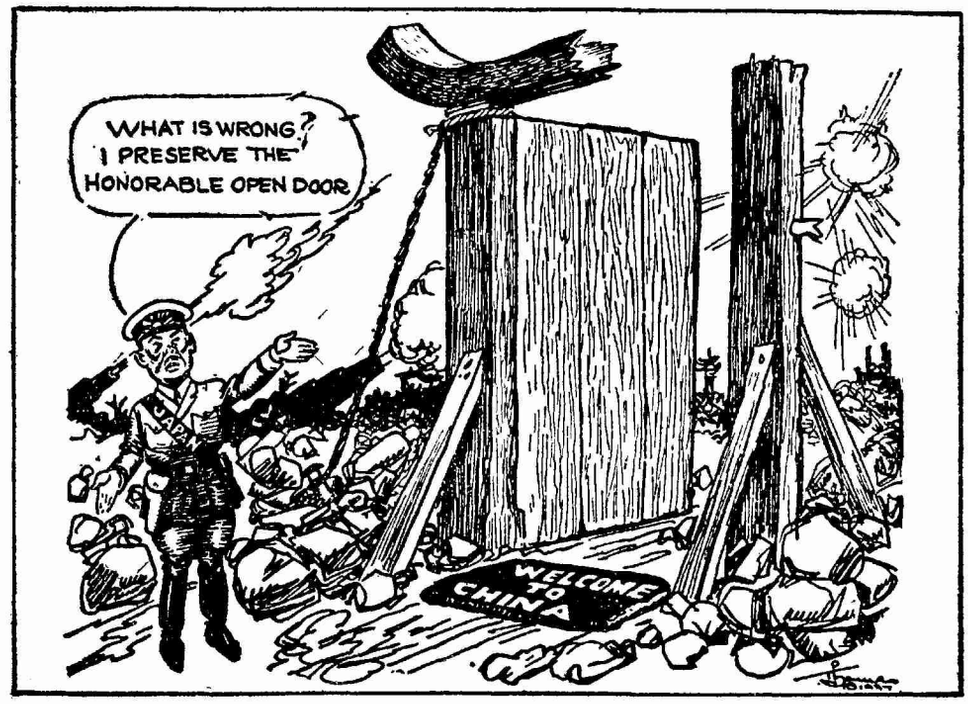
Opportunity, certain to come to west China, will not be allowed to pass unnoticed. Enterprising firms and individuals have already begun to establish themselves in this part of the country in preparation for what is coming; not necessarily waiting until the completion of the outlets to the sea and the European continent through highways and railroads in course of construction or projected.

Many well-known Shanghai and Tientsin firms have now branches of offices in Chengtu and Chungking, the provincial capital and seaport respectively of Szechuan. Going out from the several city gates of Chengtu towards the direction of the more prosperous districts, one may see the many warehouses of the Young Brothers Bankers, the People's Bank of Szechuan and Sikang, and other financial institutions, all being on the spot to extend aid to the farmers and facilitate them in every legitimate way, not excluding the grant of credits on godown receipts. The China Farmers' Bank and other central and local government banks operating in Szechuan, through the co-operative societies of the agricultural communities, have in the last two years made considerable contributions to the economic developments here.

Aid to Timber Industry

The China Finance and Development Corporation of Shanghai, aside from being interested in the construction of the Chengtu-Chungking Railway, is helping to develop the timber industry of the west China regions. The West China Development Corporation, specially organized to assist in the promotion of various industries in Szechuan, has been responsible for the installation of several important plants in this province, while the Development Corporation of China and others are also ready to undertake construction and transportation contracts. The Ming Sung Industrial Company, the Cement Works, and others in or near Chungking all have agents to watch out for opportunity or service in all important sections of this vast region.

JAPAN'S WAY OF SAVING THE OPEN DOOR



Everett (Wash.) Daily Herald

Without much notice from the outside world, Szechuan alone is doing much in the improvement of its silk industry with the aid of the Ministry of Economics of the National Government. In late years, silk production has been on the down grade and during 1936, only about 8,500 piculs, worth a little over $3,000,000, were reported from 12 districts. Through the recently-formed Silk Corporation of Szechuan, in which the provincial government is interested, better crops and better merchandising methods will be promoted.

The several agricultural and forestry experiment stations throughout west China are doing more than their parts in assisting the farmers who may these days call upon the government to help them in preventing disease in animals as well as in plants. Thus far, foreign merchants up the Yangtze are mostly interested in the export of tung, or wood oil to America and Europe. Lately, the Chinese themselves, have begun developments in an industry in which outside aid would be useful. Modern pharmaceutical methods are to be used for the preparation of medicine from Chinese herbs. The Chinese doctors themselves are wholly behind this reform, as they have found their service undervalued on the battle-field, as prescriptions from drug shops and the time to be taken in its preparation would not meet the requirements of the hour. Szechuan is a rich province for medicinal plants.

In the five, three, or shorter-year programs of the several Szechuan municipal governments already in existence or under

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Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First six months of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts has been published in book form.

May 10.—Fighting broke out at 4 a.m. at Amoy as Japanese attempted to land. Attack launched from both air and sea. Some 100 Japanese sailors reported killed and 75 captured during engagement.
Japanese announce landing effected on east coast of Amoy Island.

May 10.—Heavy fighting proceeding on various fronts in southern Shantung and northern Anhwei, all with Hsuchow as objective. Japanese making desperate attempts to cut Lunghai Railway both east and west of Hsuchow. Severe battle fought in vicinity of Mengchen, 45 miles northwest of Pengpu, as Japanese attempt to drive towards Kweiteh, on Lunghai Railway, 100 miles west of Hsuchow.
Chinese claim southeast Shansi cleared of Japanese troops. In north Shansi, Japanese are withdrawing towards Great Wall at Yenmenkwan and Pinghsinkwan, strategic passes. In west Shansi Japanese holding only few principal cities on Tungpu Railway.

May 10.—Dr. Wellington Koo, Chinese chief delegate to the League of Nations, informed League Council meeting that Japan was on point of using poison-gas on large scale in order to break Chinese resistance. Dr. Koo asked that steps be taken immediately to forestall preparation of "such an infamous crime." He appealed to the Council to take effective measures to combat Japanese aggression; action necessary in the cause of international law and order.

May 10.—Allegations that Soviet officers were serving with Chinese Army in southern Shantung were denied by both Chinese and Soviet authorities in Hankow.

May 10.—Seven Chinese injured by hand grenade thrown by unknown person from top of a building on Kwangse Road, Shanghai; another hurled at Tientsin Road failed to explode.

May 10.—Vice-Admiral Sir Percy Noble, Commander-in-Chief of British Fleet in China Waters, returned to Shanghai from inspection tour of southern stations.

May 10.—Japanese claim to have captured Shaohsing, Chekiang, on May 7 denied by Chinese circles. Shaohsing quiet, according to reports from Ningpo.

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May 11.—Chinese position in south Shantung seriously threatened, as Japanese forces drive towards Lunghai Railway in three columns with Kweiteh as objective; Kweiteh located 100 miles west of Hsuchow. Main Japanese column marching southward from Tsining towards Yutai, while another is advancing from Wenshang, west of Yenchow, towards Yungchen, Southeast Honan, near Anhwei-Shantung border; third column marching on Chuyai. With arrival of reinforcements, Chinese forces counter-attacking in attempt to halt Japanese advance.
Chinese withdrawal from Mengchen, northern Anhwei, west of Pengpu, on May 9 admitted in Hankow. Chinese reinforcements are attemptin to recapture city.

May 11.—Severe fighting continuing on east short of Amoy Island. Chinese reinforcements arrive in effort to halt Japanese occupation. Chinese refugees pour into Kulangsu International Settlement; foreigners reported safe. Japanese claim more than half of Amoy Island occupied. Hankow believes Japanese operations in Amoy to be prelude of attempt to attack Canton-Hankow Railway and possibly Canton.

May 11.—Squadron of reorganized Canton Air Force raidel Japanese warships at Tungkawan, one of which said to be seriously damaged. Five Japanese bombers reported shot down when engaged by Chinese squadron over Chungshan area near Canton. Japanese airdrome on island near Chungshan also raided; several planes in hangars and at airdrome reported damaged.

May 11.—Chang Hong-kwei, another Shanghai Chinese Customs emplyee, kidnapped in broad-day light at the Customs building by four Japanese plain clothes men and taken to Hongkew. Yang Wen-lung, who was abducted some days ago, still held by Japanese military in Hongkew.

May 11.—Britain willing to mediate in Far East hostilities, declared Neville Chamberlain, Prime Minister, in House of Commons. Services available if both parties agree to accept mediation.

May 11.—Gen. Yang Chieh, formerly President of Central Military College and Chief-of-Staff of the Generalissimo's Headquarters, appointed new Chinese Ambassador to Moscow. Gen. Yang had been in Moscow for more than six months maintaining contact with Soviet Government on behalf of Chinese military authorities. Gen. Yang succeeds Dr. T. F. Tsiang, who has returned to China.

May 11.—Japanese Foreign Minister Koki Hirota declared Japanese negotiations for reorganization of Shanghai Municipal Council were not proceeding satisfactorily "as results were far short of Japanese expectations."

May 11.—Admiral Harry E. Yarnell, Commander-in-Chief of United States Asiatic Fleet, sailed aboard U.S.S. Flagship **Augusta** from Shanghai for north China waters on inspection trip.

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May 12.—Severe fighting continued in west Shantung where Japanese forces launching general offensive towards Lunghai Railway. Fishting front extends from Yungcheng, southeast Honan, near Anhwei-Shantung border, to west shore of Nanyang Lake. Heaviest fighting taking place on Tsining-Kweiteh motor-road with Japanese pushing towards Kinghsiang, 30 miles southwest of Tsining. Large bodies of Japanese troops in southern Shantung being transferred to west Shantung.
Considerable concern in Chinese circles in Hankow as Japanese rapidly drive towards Lunghai Railway from north and south. Japanese claim capture of Yungcheng on May 11.
In attempt to hale Japanese advance from the south towards Kweiteh, Chinese troops in northwest Anhwei are launching determined counter-attacks on Japanese positions in vicinity of Mengcheng, 45 miles northwest of Pengpu.
Gen. Chow Yuan, deputy Division Commander, killed in action May 9 at Mengcheng when the city fell.
Puhsien, west Shansi, reoccupied by Chinese, according to Hankow military communique.

May 12.—Amoy Island completely occupied by Japanese, according to foreign reports received at Hongkong. Hankow reports state fighting continuing in Amoy. alleged Chinese recovering lost ground. American sailors landed at Kulangshu International Settlement where over 50,000 Chinese refugees are crowded.

May 12.—Thirty-five Chinese civilians killed and injured and several houses demolished when Japanese bombs dropped in Canton during air raid.

May 12.—Japanese-sponsored Nanking "'Reformed" Government attempting to take over control of the Shanghai First Special District Court in International Settlement; Lin Chi-hung, Chinese lawyer, supported by Japanese for presidency of Court.

May 12.—Germany officially recognizes Manchukuo. Documents establishing diplomatic and consular relations between the two countries sealed at official ceremony.

May 12.—Chang Hong-kwei, Shanghai Customs employee, released after being detained by Japanese authorities in Hongkew for some 24 hours. Yang Wen-lung, another Customs employee, seized by the Japanese, still detained.

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May 13.—Serious threat to Chinese position in Hsuchow area caused by Japanese advance towards Lunghai Railway from south. Japanese column which captured (May 11) Yungcheng, in southeast Honan, near Anhwei-Shantung border, is only 60 kilometers from Lunghai Railway, west of Hsuchow. Situation at Yungcheng and Mengcheng (45 miles northwest of Pengpu) obscure; considerable fighting raging in vicinity of both cities, but report of their recapture by Chinese lacking confirmation. Chinese forces attacking Tingyuan and Fengyang, Anhwei, in effort to cut Japanese line south of Pengpu.
In west Shantung, Chinese and Japanese forces are opposing each other at point, 10 kilometers north of Kinhsiang.
Japanese announce expectation of capturing Siancheng, on Lunghai Railway, south of Hsuchow, within 48 hours; Chinese army spokesman at Hankow declared Siancheng has no strategic importance and even if captured it would not have much effect upon the southern Shantung military situation.

May 13.—Although main body of Chinese troops at Amoy evacuated, isolated Chinese units still holding out in various parts of Island. Both Chinese and Japanese suffer heavy casualties during operations. Chinese forts at Wulishan destroyed by Japanese bombing; Amoy university set on fire by Japanese bombs. Entire Chinese civilian population in Amoy

now packed in Kulangshu International Settlement; food shortage serious.

May 13.—American Baptist Mission and Catholic Mission at Chengchow, junction city of Peiping-Hankow and Lunghai Railways, bombed by Japanese planes. Eight bombs hit American Mission, killing and wounding 8 persons. Twelve bombs struck Catholic Church, where number of casualties unknown. More than 100 Chinese houses and other buildings demolished in course of Japanese air raid.

May 13.—Dr. Wellington Koo, Chief Chinese delegate to League of Nations Council meeting, appealed for concrete measures against Japan and for practical help to China in money and other immediate necessities. Dr. Koo protested against alleged Japanese early intention to use poison gas.
Viscount Halifax, Chief British delegate, said that coercive action was out of the question, but he was in favor or "doing something" to prevent use of poison gas. M. Bonnet, French delegate, supported Lord Halifax.

May 13.—E. S. Wilkinson, well-known British accounttant, naturalist and writer, arrested, struck on back and beaten by Japanese sentries in Hungjao area and detained at various Japanese military posts for 11 hours before he was released. Japanese statement that Mr. Wilkinson was arrested because he "jumped over a Japanese military barrier" was emphatically denied. Japanese spokesman stated Wilkinson "might have been shot" for action in crossing barricade on railway.

May 13.—Two Japanese soldiers driving truck along Nanking Road arrested by foreign sergeant of Shanghai Municipal Police and taken to Louza Station on charge violation of traffic regulations.

May 13.—Foreigners living in war zones of Kiangsu, Anhwei and Honan told to evacuate these zones by M. Tani, so-called Japanese Minister-at-Large in Shanghai, in note addressed to foreign diplomatic representatives.

May 13.—Japanese Foreign office spokesman declared Foreign Minister Koki Hirota had not proposed a non-aggression pact with America, but that Japanese Government would "certainly consider" such a proposal if it were made by the United States.

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May 14.—Chinese position in Hsuchow area said improved as the Japanese advance from north Anhwei towards Lunghai Railway halted north of Yungcheng. Chinese forces from Hofei in Central Anhwei recaptured Chaohsien, east of Chao Lake, in counter-attack. Chinese reports state that Japanese column which reached Yungcheng composed mainly of cavalry units, in nature of a flying column.
Severe fighting raging in west Shantung where the Japanese pushing towards Lunghai Railway in five columns.
Heavy Chinese reinforcements rushed to north Anhwei and to section of Lunghai Railway threatened by the Japanese.
Japanese troops at Fuling, on northern Kiangsu coast, reported approaching Haichow, eastern terminus of Lunghai Railway. Chinese military authorities in Hankow discount Japanese threat to cut Lunghai east of Hsuchow. Haichow now dead port as result of Japanese naval blockade and Japanese occupation of southern section of Tientsin-Pukow Railway.
Japanese claim to have cut Lunghai Railway at 3.12 p.m. at Wangchi, east of Tangshan, 80 kilometers west of Hsuchow by small mobile column. Railway bridge at Wangchi said blown up.
Large numbers of Chinese troops evacuating Hsuchow to Tangshan, according to Japanese report.

May 14.—Formal protest to Japanese consular authorities in Shanghai as well as representations to Japanese Government made by British authorities in connection with assault and detention of E. S. Wilkinson, British businessman in Shangtai, by Japanese sentries in Hungjao Road area. Incident viewed as most serious by British authorities and foreign community.

May 14.—Japanese in Shanghai organize so-called "Hsin Hsin (New Revival) Club, to promote Sino-Japanese friendship, co-operation and trade."

May 14.—Some $200,000, worth of drugs (opium and heroin) seized in Shanghai in past week by Customs authorities and the police. Large amounts of narotics smuggled into Shanghai by Formosans and their Chinese accomplices.

May 14.—Thirty Chinese staff members of Shanghai Customs transferred to other ports for duty because of Japanese kidnappings.

May 14.—Many Chinese industrial establishments, both private and government-owned, in Central China, including several located at Shanghai, seized by Japanese who are now trying to operate the factories, according to **Shanghai Nippo** report.

May 15.—Major battle along Hopei-Shantung border, where Japanese troops crossed Yellow River from Poyang and Puhsien, in southern Hopei, and joined Japanese column at Yungcheng; combined force attacking Tsaochow (Hotseh), on Shantung-Honan border. Street fighting reported in Tsaochow, which Japanese claim to have captured. Chinese forces, after repulsing Japanese advance towards Tangshan, on Lunghai Railway, west of Hsuchow, are advancing south, beseiging Yungcheng. Hankow communique stated Chinese forces inflicted heavy casualties on Japanese column attempting to cut Lunghai Line at point 14 miles south of Tangshan, where 12 Japanese tanks were captured.
Chaohsien, east of Chao Lake, in northwest Anhwei, recaptured by Chinese.
Hsuchow in past few days subjected to severest aerial bombardment of any city since beginning of Sino-Japanese hostilities.
Over 280 bombs dropped inside city (May 14), causing some 800 casulties and demolishing 3,000 buildings. Power plant, telephone and telegraph offices demolished. Reported Gen. Li Tsung-jen was wounded during raid on May 12, unconfirmed. Japanese reports from Peiping claimed Lunghai Railway cut at three points. Japanese spokesman at Shanghai claimed capture of Hofei, important city in Central Anhwei.

May 15.—Chinese defenders of Amoy Forts held out against Japanese attacks until mid-day of May 12, according to latest report prior to fall of the island. Food situation at Kulangshu island described as desperate. Japanese daily bombing Changchow on Fukien mainland. Report that Japanese troops landed at a point 10 miles south of Foochow denied in Hankow.

May 15.—Resolution expressing sympathy with Chinese people and urging members to give serious and sympathetic consideration to requests they may receive from Chinese Government, adopted by Council of the League of Nations yesterday (May 14) before the close of its 101st session.
Dr. Wellington Koo, Chief Chinese Delegate, made eloquent plea before adoption of resolution, said resolution still left much to be desired.

May 15.—Dr. H. G. Wyatt and Miss Glasby, British missionaries, shot and seriously wounded in north Shansi, according to **Reuter** report from Peiping. Details of incident unknown.

May 15.—So-called Japanese Pacification Corps attacked by Chinese guerillas near Wusih on May 12; one member killed and three others wounded.

May 15.—Chinese nationals will not be allowed to enter Japan unless they carry passports issued by Peiping or Nanking regimes, according to **Demei** report.

Li Tsung-jen Continues at Front

Contrary to foreign press reports, General Li Tsung-jen, Commander-in-Chief of the Government Forces in the 5th War Zone (Shantung, Kiangsu and Anhwei), was not seriously wounded in the fighting at Hsuchow, in northern Kiangsu, and continues to direct the operations against the Japanese, according to General Pai Chung-hsi, Vice-Chief of the General Staff, who arrived in Hankow from the front May 29. Shortly after his arrival, General Pai called on General Chiang Kai-shek, President of the Military Affairs Commission, to report on the military situation in the Lung-Hai and Tientsin-Pukow Railway zones.

Japanese to Monopolize Whangpoo Shipping

As a preliminary step to monopolize shipping trade on the Whangpoo River, a new Japanese navigation concern, named Shanghai Transportation Company, has been organized by the N.K.K. Company here, the *Sin Wen Pao* reports. The new company, it is stated, has been authoritized to monopolize the shipping between the Peking Road Bund to Kaochiao Beach. It is further learned the boom on the Whangpoo at Nantao which has been closed for 24 days, was opened June 1.

Italian Casualties in Spain War Given

Casualties in the ranks of Italian legionnaires fighting in Spain between March 9 and May 24 totalled 3,245 officers and men, the *Stefani News Agency* reported May 27. Killed during this period, which covered the sanguinary battles south of the Ebro River, were 76 officers and 641 privates. Officers and men wounded numbered respectively 207 and 2,305. One officer and 11 legionnaires were reported missing.

Chinese Boycott Formosan Tea

Over 40,000 cases of Fukien tea have been exported to the South Sea Islands in the past month, because of the general demand of Chinese tea there instead of Formosan tea. A boycott against the use of Formosan tea has been started by the Chinese overseas in the islands.

Shanghai—Shelter for the Living and the Dead

BY T. S. YOUNG

NEVER before has Shanghai been so over-crowded as it is at present. When we speak of Shanghai, we must hasten to add that we only refer to French Concession and that part of International Settlement south of Soochow Creek. As an "Island of Safety," it, on the numerous occasions in the past, extended its hospitality to a large number of refugees who sought protection from the ravages of civil wars, when capricious and greedy provincial warlords frequently came to measure their strength against each other for self-aggrandizement. While the occasion was frequent, the duration of each struggle, however, was very short; for provincial mercenary troops never meant to brave death for fighting a real battle, and "silver bullets" often proved much more effective to turn the tide of war then steel ones. The rich people who at the first sign of war came here for safety became so accustomed to their frequent evacuations that they came to regard their brief sojourns in Shanghai as a good change of their surroundings, and the inconvenience, if they suffered any, seemed to be more than repaid by the excitements and thrills they derived from Shanghai's dazzling night life. The duration of war, in every instance, was never too long to make one homesick and tired of the hurly-burly of Shanghai life.

But the present war is not of the domestic variety, which fizzles out as soon as it breaks out. For more than nine months, a big war—the first of its kind China has ever fought against a foreign country—has been carried on with increased fierceness. To many, it is a surprise that the war can be dragged on so long, although they have learned at the very beginning that the present war is to be a protracted one. Those who have evacuated to Shanghai from war-affected areas become now somewhat homesick and long for the comfort and ease of their spacious homes in their native cities. Yet they prefer lingering here and undergoing inconvenience and discomfort to returning there and subjecting themselves to an alien rule. On the other hand, because of the lawless conditions prevailing in the Japanese controlled districts, new evacuees are now daily pouring into Shanghai. Chinese population now living in French Concession and part of International Settlement must be between three and four millions. It is indeed inconceivable that so great a population can live on this small piece of the so-called mud flat.

To many Chinese who have escaped from the ravages of modern war and the atrocities of Japanese soldiers, Shanghai is indeed a paradise on the earth. There the rule of law still prevails to such an extent as to give its inhabitants a sense of security, although bombs and hand-grenades have been frequently hurled and exploded in its many busy thoroughfares. There its inhabitants can move freely within its perimeters before and after the curfew hours without the necessity of carrying with them any passes. There one is under no impulsion of doffing his hat, or taking the pipe out of his mouth, or making a 90-degree bow while passing by sentries and guards. There the pretty women and girls can parade themselves in the streets and show up their alluring feminine curves without the apprehension of being molestion or seized by sex-hungry soldiers. There one can sleep soundly at night with no fear of being waked up in the small hours by the poundings and shoutings of drunken soldiers at the entrance gates and the demanding of delivering up money and "flower girls." There one can still see the flying of his beloved flags on the festival and memorial days and give a display of his loyalty to his own country. And there one can console himself that he remains a patriotic son of his dear country and not a subject of the puppet's regime.

Shanghai Becomes a Haven

In this extraordinary time, these common things have become privileges, to which our brethren in the Japanese-controlled districts have been totally denied. Because of these privileges, Shanghai has become a haven, to which those who have the means are now ceaselessly flocking and at which those who cannot afford to make the evacuation are looking with admiration and envy. This "Isolated Island," as Shanghai has now been dubbed, holds out promises and hopes, which no poor sailor in the stormy ocean can unfeelingly ignore.

Thus Shanghai becomes so over-crowded with refugees from everywhere that it comes to resemble a box of packed sardines. Its houses are all occupied, its hotels are fully accommodated, and the late comers have to pay a premium to secure their accommodations. Now-a-days, the homeless people are so eager to secure temporary homes, that whenever they find a vacant house, they cannot hesitate a moment to bargain over the rentals or consult a geomancer; for there are many who will take any house regardless of its rentals and their superstition. Some desperate ones even offer a cash reward in the newspapers to any one who can find homes for them.

To live in this over-crowded "Island" is not an easy thing. Besides the difficulty of finding homes to shelter ourselves, we are being faced with the hard problem of how we can exist economically. We must practice economy, but in the meantime, we must eat. The prices of food-stuffs are going up higher and higher, partly owing to the scarcity of the supply, and partly because of the great increase in the demand. While our income, in many cases, have either been reduced or come to naught, we, however, have to pay two or three times more for foodstuffs. Sometimes we cannot even procure what we want from the market, although we are willing to pay the high prices. Moreover, the supply of our rice and pork, the two principal food of our daily meals, is far from being secure, and the disruption of transportation facilities can at any time cut us from the sources of their supply. Not long ago, we were faced with a serious rice shortage, and had to line up for many hours before the rice shops to secure a regulated quantity of rice. Who can tell that such a tense situation will not recur in future? Ordinarily, we men do not bother ourselves with the domestic food problem and leave it exclusively to the care of our wives; but now we must daily consult our wives about the most economic way of eating.

FLIGHT!

By Jack Chen in Life (N.Y.)

Satire on rich Chinese family fleeing to place of safety with treasures and household effects.

While it is not easy to maintain our living bodies in this congested place, we find it equally difficult to dispose of our corpses. The coffinmakers are now working overtime and hastening their production, but, due to the very high death rate, their supply falls short of the increasing demand. If it is not considered as inauspicious, many of our far-sighted people would purchase one or two coffins beforehand, as in the case of their storing of rice and fuel, to provide themselves against any eventualities happening to their family members. It is decidedly a policy of wisdom to take this precaution, for who can tell that with the coming of hot days, pestilence, a close companion of war, will not pay us a visit and exact an appalling toll from our sanitarily unprotected population? If it is difficult to secure the coffins now, it will be more difficult to obtain them when the death rate goes up even higher. Another relative problem is the one concerning the storage of our filled coffins. At present, coffin storages, just as human inhabitations, are accommodated to the full extent. Unless some practical means can be devised to cope with the situation, it will soon come to a pass that both the living and the dead will fight for accommodation in this "paradise on the earth."

Simplicity Is Rule

Paradoxically, the business, in spite of the big increase in the population, shows not a sign of encouragement. The streets are indeed thronged with people from sunrise to sunset, but most of the crowds are refugees, who because of the congestion of their homes, have to come out for airing. The people as a whole strive to economize, and limit their purchases to a few necessities only. The knick-knacks displayed at the show-windows cannot dazzle their eyes, when they, faced with the cut of their salaries and the loss of their jobs, must provide themselves against the consequences of the long-drawn-out war. They do not spend recklessly for their funerals and marriages either. In

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the funeral or marriage notices, in the newspapers, we often come to such an announcement that "because of the national crisis, the ceremony will be conducted in simplicity." By means of this excuse, they can not only save their money but also their faces. The very rich ones also have not the zeal to show up their wealth, for its invites criticisms to made a display at the time when the people in the refugee camps have not even cold water to drink.

The great majority of the population here are now without employment. They, of course, cannot continually leave themselves idle without thinking of some way to make some money, especially in view of the fact that there is no prospect of the immediate cessation of the present hostilities. The rich people naturally do not care about the duration of the prolonged war, but those who have but small means cannot afford to wait indefinitely. Therefore every one is now desperately seeking a way to ensure their present and future livelihood. Those who are of legal or medical professions in other cities have to resume their practices here, although Shanghai has already too many lawyers and physicians. Those who possess no special talents but have business experience and are of an enterprising nature, have to run some risks in shipping goods to and from Shanghai for making war profits. And those who have nothing to recommend themselves have yet a convenient way of making something by subletting their spare rooms at exorbitant rentals. The opportunists are now opening up new tea-rooms with pretty waitress to assail the purse of epicureans and beauty-lovers, while some clever persons even plan to remove the God of Hades from its temple in Nantao to the Settlement for the purpose of exploiting the superstition of the common people. So Shanghai, in spite of the war, is still looked upon as an El Dorado, where every one attempts to grab as much gold as he can.

19th Route Army Veteran Leads China's Martial Monks

The man who commanded thousands of Chinese volunteers fighting side by side with the 19th Route Army against the Japanese in the first Shanghai war of 1932, now leads the hundreds of China's martial Buddhist monks engaged in war-aid and relief services. The former Brigadier-General Yang Teh-chao is now Monk Hung Ming, abbot of one of the biggest Buddhist monasteries in Nanking, before the fall of the Chinese capital. When war broke out last year, he was devoted to Buddhist religion, having secluding himself from wordly affairs, for three years. But he had foreseen trouble. He sponsored the training of Buddhist monks in emergency services months ahead of the Lukouchiao (Marco Polo Bridge) Incident of July 7, last year.

When hostilities broke out in Shanghai on August 13, Hung Ming was busily organizing the monks. Behind the firing lines on the Shanghai fronts groups of these rabid vegetarians were soon bearing stretchors or coffins on their shoulders. They belonged to the Shanghai Buddhist Rescue Corps and Burying Corps, each consisting of 120 monks dressed in army uniforms. Their leader was Hung Ming. Besides directing his brethren immediately behind the fighting front, Monk Hung Ming was also in charge of a big Buddhist Hospital in Shanghai which he established during the withdrawal of the Chinese troops from the eastern front. That hospital gave treatment to more than 700 Chinese wounded soldiers who were later sent back to the war front via Ningpo in Chekiang Province. It is now giving free treatment to war refugees in Shanghai. Monk Hung Ming is now in Hankow, wartime capital of China, soon to lead his Rescue Corps of 120 monks from Shanghai to the southern Shantung front near Hsuchow on the Tientsin-Pukow Railway.

100,000 Said Massed for Attack On Amoy

Chinese troops, numbering about 100,000 men, have been massed near Changchow (Lungki), about 40 klms. from Amoy, in preparation for an attack on the Japanese-occupied island, Tokyo newspapers reported June 3. A Japanese patrol ship, the reports said, was fired upon by Chinese troops entrenched along the Fukien coast, near Amoy. The Chinese machine-gun nests were immediately destroyed by the vessel's guns, the reports added.

Chinese Executed for Loss of Amoy

Following a court-martial, Major Wang Chien-chang, commander of the battalion which was responsible for the loss of Amoy, having been found guilty of dereliction of official duty resulting in loss of territory, has been executed, Foochow reports said June 3.

Postal Service Resumed Along Nanking-Shanghai Railway

Chinese post offices in Nanking, Chinkiang, Wusih, and Soochow on the Nanking-Shanghai Railway have been re-opened recently according to the local postal authorities. It is reported that attempts are being made by the authorities to re-open the post offices in the important cities on the Shanghai-Hangchow Railway in the near future.

Machinery Removed from Mill by "Mistake"

Electric motors and machinery removed by the Japanese from the Sung Sing Cotton Mill No. 7 were reported returned June 5. However, on June 8, British said that were not in evidence yet. On May 24 the British Consulate-General made representations to the Japanese Consulate-General regarding the removal of the machinery, the spokesman said. The Japanese Consulate-General, he stated, on Saturday advised the British Consulate-General that as a result of an investigation of the matter by Japanese authorities concerned it had been discovered that the machinery had been removed by mistake and already had been returned.

Conduct of Japanese Deplored by Nippo

The conduct of Japanese nationals in Shanghai has formed the subject of a number of editorials of the influential Japanese newspaper, *Shanghai Nippo* in the past month. In another long editorial last week, the *Nippo* said: "It is highly regrettable that Japanese subjects in Shanghai have become too proud as a result of the military successes in China and failed to examine their own behavior. This paper has in these columns repeatedly advised our nationals not to engage in illegal business and not to act as 'running dogs' of foreign nationals. But it is most unfortunate that these advices were not taken by most of the unscruplous ones. For instance, a number of Japanese were seen walking on the streets when drunk. These people came to Shanghai, hoping to become rich overnight. They failed to understand the heavy responsibility of the Japanese to rebuild a new city in this part of the country. It is most humiliating to Japan to allow these people to expose the weakness of our nation in this metropolitan city of Shanghai." In conclusion, the Japanese paper expressed the hope that Japanese nationals will hereafter behave properly so as not to cause inconvenience to foreigners.

Bolshevism At Root of China Hostilities, Says Ciano

"Germs of the struggle now devastating eastern Asia can be found in the disintegrating action of bolshevism with which the Chinese Government imprudently associated itself." This statement was made in Milan June 2 by Foreign Minister Count Galleazo Ciano in inaugurating the second meeting for the study of international affairs, including the problems of the Far East, the *Stefani News Agency* said. In leaning toward Communism, Count Ciano said, the Chinese Government failed to "realize that it is extremely dangerous to entrust a national cause to that very state which proclaims itself the champion of red internationalism. In a wider action against bolshevism," he continued, "the powerful, noble Japanese nation has joined Italy and Germany in a union consecrated by the tripartite pact of Rome."

Drive On Armed Junks Announced by Japanese

Charging an extension of "guerilla warfare seawards," a Japanese naval spokesman on June 4 announced that the Japanese Navy will deal "mercilessly" with Chinese armed junks, although peaceful fishermen will be permitted to carry on their profession, undisturbed. The announcement followed receipt of a report that six large junks armed with cannon and rifles and protected by steel sheetings attacked Japanese blockade vessels off Kwanghoi, southeast of Canton, on June 3, precipitating an engagement. Three junks were set afire and one disabled by Japanese aerial bombs, the spokesman stated.

The Japanese Navy, the spokesman declared, "is not only determined to wipe out such armed junks but is fully equipped to carry out its determination." Japanese naval bombers raided airdromes at Pucheng, Kiennow, Changting and Lungki, inflicting her damage on them, the spokesman said.

Eight Chinese armed junks which opened fire on a Japanese patrol vessel were sunk north of Hainan Island on June 4. The junks resisted inspection by the Japanese patrol vessel, he said, and opened fire with cannon and rifles. The Japanese vessel returned the fire and with the aid of airplanes sank all the junks.

Hongkong Must Be Controlled, Say Leftist Japanese

"Japan must control Hongkong,—diplomatically," declared two proletarian members of the Lower House on thier return to Nagasaki June 6, from the British colony. Belonging to the Leftist Social Masses Party, the two M.P.'S, Motojiro Sugiyama and Shoichi Miyake, had just completed a tour of Central China and Hongkong. Both politicians said they were amazed by the quantity of arms and ammunition pouring into China through the British port.

Thousands of military trucks, scores of locomotives and an immense quantity of railway sleepers are piled up in Hongkong, awaiting delivery to the Nationalist Government, they said. Chinese political and financial leaders, they added, are "engaged in diplomatic maneuvers" in the colony. Because of the rampancy of Chinese rumors, the politicians declared, the South generally believes that Japan has been defeated by China.

Is Japan Going to Control the Special Courts?

THOUGH up to the present moment no definite attempts to seize Chinese Courts in the International Settlement, Shanghai, were made by the Japanese, the rumors to this effect, which have been rife for some time, seemed to have gained serious ground on May 16, when a delegation of Japanese jurists called on the First District Court, and the Consular Body held a meeting discussing the status of Special Courts.

A sane outlook upon this question first of all calls for no waste of speculation as to the significance of any special action. Japan's ambition to control the occupied area sooner or later must make her face the necessity of demanding recognition on the part of Powers concerned of her right to take over the control of Chinese Courts, established under International Agreement. And her alleged readiness for this move at present implies the acknowledgement of difficulties in setting her new house to order without holding the reins of judicial administration in her own hands.

The point in question arising out of this subject, concerns chiefly the action of Foreign Powers. What will be their attitude towards Japan's claim to assume control of Special Courts? How far will Japan's determination to fight their resistance go? Should a compromise be deemed possible, what form it would assume?

But before dealing with these questions it is necessary to remind ourselves of how Special Courts came into being and what is their present status. Looking eight years back, to the Court Agreement, concluded between China and Five Powers in 1930, we notice that it still holds good in its original form.

Signed by Great Britain, Brazil, Netherlands, Norway and the United States on one part and China on the second part on February 17, 1930, this agreement abolished the Mixed Court in the International Settlement, Shanghai, and established in its stead a District Court and a High Court.

Nature of Agreement

The nature of the Court Agreement was specified by the Treaty Powers in the following terms:—

> "With reference to the agreement which we have signed today, establishing a new Chinese judicial system in the International Settlement at Shanghai, we desire to point out that such Agreement cannot in any way affect or invalidate rights guaranteed to the Powers concerned and to their nationals under existing treaties between such Powers and China we and accordingly reserve our full rights in this regard." (Declaration made by 5 Powers on February 17, 1930).

In case of a conflict between Chinese Law and the Agreement, "the Agreement takes precedence over the law." (Judicial Yuan Instruction of July 27, 1931.)

> "The Agreement governing the Courts in the International Settlement at Shanghai is a kind of a treaty, and should therefore have the same effect as a treaty. Furthermore, the proper construction is that a treaty takes precedence over the law." (Kiangsu High Court ruling on Judicial Yuan Instruction)

What high importance was attached to the Court Agreement by both parties is seen from the above. Having been concluded for a period of three years, this agreement was extended for an additional term in 1933, and it was then proposed that either of the parties thereto may notify the other 6 months before the expiration of the 3 year period of their desire to denounce it; in case both parties fail to do so in time, the agreement continues in force indefinitely thereafter, subject to 6 months' notice to be given by either party at any time.

Up to the present time the Court Agreement has been renewed automatically, no party being interested in its discontinuance, and in normal times China should not have felt any apprehension of its denouncement by Foreign Powers. It is interesting to point out at this juncture, that as early as 1935 Japanese papers already spread rumors that the Chinese Government was contemplating the abrogation of Court Agreement upon the expiration of the 3 year term. Needless to say, that these reports were absolutely groundless.

Agreement to Continue

As no discontinuance of Court Agreement is foreseen in the near future and because the political tension in the subjugated territory shows no tendency of subsiding, the Japanese seem to start devising a plan of actions, the effectiveness of which will depend upon the attitude of Foreign Powers.

To begin with, they try "moral persuasion." The perfectly "lawful" action of assuming contrl over Special Courts by the "Reformed Government of China" has been under contemplation at present, according to Japanese spokesman's statement, made a few days ago. "The rendition agreement," he said, "was concluded between a Chinese Government and the Powers concerned. Now a new Chinese Government has been formed and intends to succeed to the rights and obligations of the former administration."

Though it seems rather doubtful that Japan would be prepared to adopt any more serious tactics in order to "prove" the legitimacy of her claims for the time being, it is uncertain whether developments in China and the world at large would not offer her this chance in the not too distant future.

While we assuredly believe that no official recognition of Japan's "rights" is forthcoming, we are, nevertheless, left with the feeling of doubt as to whether no suitable compromise would be deemed possible between Japan and the rest of the world, already much too anxious to save Japan's face, which she can so ill afford to lose.—LEX.

OVER THE TOP

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Consular Body to Maintain Status of Court

At a recent meeting of the Consular body, it was reported that foreign consuls-general decided to maintain the present status of the First Special District Court. It may be recalled that one Lin Chi-hung was appointed by the "Reformed Government" in Nanking as President of the First Special District Court but so far Lin has failed to take over the court and assume his post. Special precautionary measures are being taken by the Shanghai Municipal Police to stop any party to take over the court by force.

Puppets Still Active

Despite the repeated failures in their attempts to seize control of the First Special District Court, officials of the Japanese-sponsored Nanking "Reformed Government" were reported as still making plans for taking over the tribunal. In an effort to explain the stand of his organization, Liu Hung-chih, court "president" appointed by the Nanking "government," recently called on Herbert Phillips, British Consul-General and N. Aall, Senior Consul in Shanghai. At both of these calls, it was explained to Lin that he could not be received in an official capacity as neither the British Government nor the local Consular Body recognizes the existence of the Nanking organization. Phillips and Aall were understood to have emphasized that the interview was granted to Lin in a personal capacity.

While detailed information of the talks was lacking, the *China Press*, reported that both Phillips and Aall made it clear to Lin that any attempt to tamper with the organization and control of their Settlement Chinese court will not be tolerated. He was said to have been warned against attempts on the part of the "Reformed Government" to take over the control of the tribunal. Meantime, rumors current during the last three weeks that "Reformed Government" will try to seized the court forcibly have been intensified during the past week. These reports prompted Settlement police and defense authorities to take additional precautions against any emergency which might occur on the court premises at North Chekiang Road and at Weihaiwei Road.

A Chinese report stated that high officials of the First Special District Court, including the several judges and procurators, were threatened by unnamed persons with bodily harm if they insist on continuing their present attitude of not co-operating with the Japanese-sponsored regime.

Court Passes Now Required

Entry into the court compound June 4 was permitted only to those in possession of special passes. All others were turned away—even court reporters of local newspapers, who were admitted only after their identity was determined. Witnesses to criminal and civil proceedings were all accompanied by detectives or court officials, or were not admitted.

While the gates leading into the compound from the street have been closed for nearly a month now, with a guard of the Seaforth High-landers' detachment there on duty at the entrance all the time, foreigners and Chinese who claimed to have legitimate business in the courthouse, in possession of summons or other documents, were admitted without the necessity of passes prior to June 4.

Japanese Offer to Buy Shanghai U. Spurned

BAPTIST Foreign Mission Society officials are not prepared to entertain the suggestion that they should relinquish the University of Shanghai campus or any Japanese proposal for the purchase of the valuable school property, an official of the mission organization declared this week. Commenting on the statement made in Tokyo by a spokesman of the Japanese Foreign Office, the official pointed out that the University has occupied its present premises for some 32 years and that there is no reason why the mission should submit to the Japanese proposal of selling the site.

He branded as "ridiculous" the Japanese view contending that it would be "intolerable to have many Chinese students in the university compound which is adjacent to the Japanese airdrome." The Japanese, he continued, are now in occupation of a wide area in Central China and they should be able to find land for another airdrome elsewhere. He reiterated that the university grounds are now being occupied by the Japanese forces and that part of the campus is being used as an extension to their airfield.

Meantime, some 11 American mission workers, who have obtained passes from the Japanese, are returning to Nanking. Those who returned included Mrs. Ernst Forster of the American Church Mission; Miss Bessie Sims of the same organization; Dr. James C. Thomson, of the American Presbyterian Mission (North); Miss E. L. Drummond; Miss Jane Hyde; Mrs. Edna Gish, and others. Father J. F. Kearney, S. J., returned to the former Chinese capital June 4.

Send Commission Here

Taking prompt action on the request of the American Government for the return of American property now under military occupation, the Japanese Government last week sent representatives of the Foreign Office and the War and Navy Ministries to Shanghai to investigate the situation. Japan has no intention of depriving Americans of the ownership of their properties in China, a Japanese spokesman said. "Speaking theoretically, property in occupied areas must be occupied by the owners," the spokesman stated, "but probably there are special circumstances in Nanking which compel Japanese military authorities to hold foreign property."

Reports asserting that the property of the American Southern Baptist Mission in Chapei was returned to the owners as the result of a note lodged on June 1 by Cordell Hull, U.S. Secretary of State, were described last week by a Japanese Embassy spokesman here as "incorrect." Arrangements for the return of the mission, he said, were completed some time before the State Department had made its protest against the occupation of American property by Japanese troops. Passes issued to missionaries for the return to their former stations in the interior of China were also said to have been handed to the applicants before the note was published. Return of foreign property to its owners and the return of missionaries to their stations will be possible "only when the conditions in the area warrant it."

Missionaries Called Aggressors

Foreign missionaries were attacked by in an editorial appearing June 2 in the official *Hsin Min Pao*, in Peiping, which commented on Japanese cultural-envoys. The newspaper compared the missionaries with the Japanese envoys who will be travelling abroad shortly" "to glorify our Oriental culture in foreign lands. Compared with the envoys' mission, the activities of the missionaries in China often resulted in their being labelled "cultural aggressors," the paper said. "But we must not criticize the foreign missionaries too harshly—"

The British Embassy in Peiping on June 3 announced that incidents arising from the rough treatment of Britons who failed to salute Japanese sentries during the past few months had been "satisfactorily settled." The Embassy's statement referred to the refusal by British subjects to salute Japanese sentries at Tsangchow on February 20 and March 12 and the subsequent arguments. Reference was also made to the attack on a British officer and non-commissioned officer by a Japanese sentry on April 7 at Chengyangmen station, Peiping. The cases "formed a subject for conversations between the Japanese and British Embassies and an amicable agreement on the subject has now been reached," the statement said.

Japan to Observe War Anniversary

Combining reverence for the war dead with frugality, Japan will observe quietly the first anniversary of the outbreak of the present Sino-Japanese hostilities on July 7. A one-minute nation-wide silence will be observed throughout the nation, while a one-dish meal will be featured in every home. The program provides for memorial meetings at shrines where respects will be paid to the dead and prayers offered for the continued success of the Japanese arms, services at various Army and Navy cemeteries, and lecture meetings. Various organizations will be requested to organize movements for donations to the war chest in connection with campaigns for frugality and perseverance in all activities.

Mex Dollars Quoted at 5 to 1

Nervousness reflecting anxiety over week-end allotments ruled the Shanghai money exchange June 7, when for the first time for many years, national currency was depressed to lower than five to one against the American dollar. Bank rates were at 4.80 selling, but local demand for U.S. currency sent prices higher soon after noon, and at one time, as much as 5.10 was being offered by exchange shops. Later developments on the curb market showed that this rate was too high, and the dollar was later revaluated at five to one against U.S. money, a rate which was believed by American bankers to be commensurate with expectations.

On June 8, the dollar strengthened slightly, the American Express Co. offering to buy gold dollars at $479.04, and selling them at $496.89.

According to financial experts, it is improbable that national currency will go further below the June 8 closing curb rates. Bank rates are likely to level with shop rates within two days, they believed, and following the week-end announcement from Hankow it was probable that dollars Mex would harden, although not above five to one against American currency. Sterling and Hongkong dollars rose in sympathy with U.S. money June 7 and late that day, it was possible to sell H.K. dollars for $1.50 in the exchange shops. Yen went to 1.01 at one time during the morning, but towards the evening, settled down again to one for one.

So nervous was the local market this week that even small transactions lifted or depressed exchange, and one foreign banker expressed the opinion that when U.S. currency went above five to one, there had been some manipulation on the market. Comparative evaluation of the Yen was quoted to support the theory.

Chinese Leaders Reinstated

The 14th meeting of the Standing Committee of the Central Supervisory Committee of the Kuomintang was held in Chungking June 3 at Central Party Headquarters. Among those present were President Lin Sen, Wu Chih-hui, and Chang Chi. More than ten important matters were discussed. It was decided to reinstate to Party membership 26 power members, who had been previously expelled from the Party for various political reasons. Among those who are benefited by the decision are General Mao Tse-tung, well-known Communist military leader; Eugene Chen, former Minister of Foreign Affairs; Chou En-lai, resident representative in Hankow of the Chinese Communist Party in the Northwestz Chang Kuo-shou, who was recently expelled from the Chinese Communist Party; Kuo Mo-jo, well-known writer; and Chen Tu-hsiu, celebrated author who had been imprisoned three years ago for his alleged Communist activities.

Sand Storm Destroys Japan Province Crops

Buried under an inch-thick blanket of sand, Tokachi Province on June 6 began to take stock of the enormous damage caused by a terrific storm, June 4. With communications in a greater part of the province still out of order, incomplete reports indicated 735,000 acres of planted fields had been laid waste. In the plain or western Tokachi all agricultural crops, including oats, beets and green peas, had been destroyed.

Reports said five factories and a number of private residences had been blown down by the cyclone. Several persons are also known to have been killed and injured as they stumbled in the sand-filled darkness into the path of moving trains and motorcars. All schools had remained closed for two days because of poor visibility. Prefectural authorities here said the damage caused by the storm was greater than that wrecked by the gales of June 18, 1927, and June, 1931. Originating at the foot of Mount Tokachi, Saturday's storm swept over northern Hokkaido, destroying crops and buildings, tearing down telephone and telegraph lines and plunging the region into darkness.

Chinese, Japanese and Koreans All Marched in Same Parade

Chinese, Japanese and Koreans marched in the May Day parade in New York, according to a report by the China Aid Council of the American League for Peace and Democracy. Most of the Chinese who participated in the march were members of the Hand Laundry Alliance.

The Japanese were all members of the Japanese Peace Society and carried banners demanding the withdrawal of Japanese troops from China and release of political prisoners in Japan. The Koreans, who participated in the parade, also collected the sum of U.S.$390 for relief in China.

"Watch King" Gives Million to Bereaved

Genzo Hattori, the "watch king" of Japan, has presented the Ministry of Public Welfare with Yen 1,000,000 for the relief of the families of officers and men killed and wounded in action in China.

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Yangchow	*Kien-ow*	Tsinan	Kaifeng	*Santai*
Hsiakwan	*Pucheng*	Pengpu	*Loyang*	HANKOW
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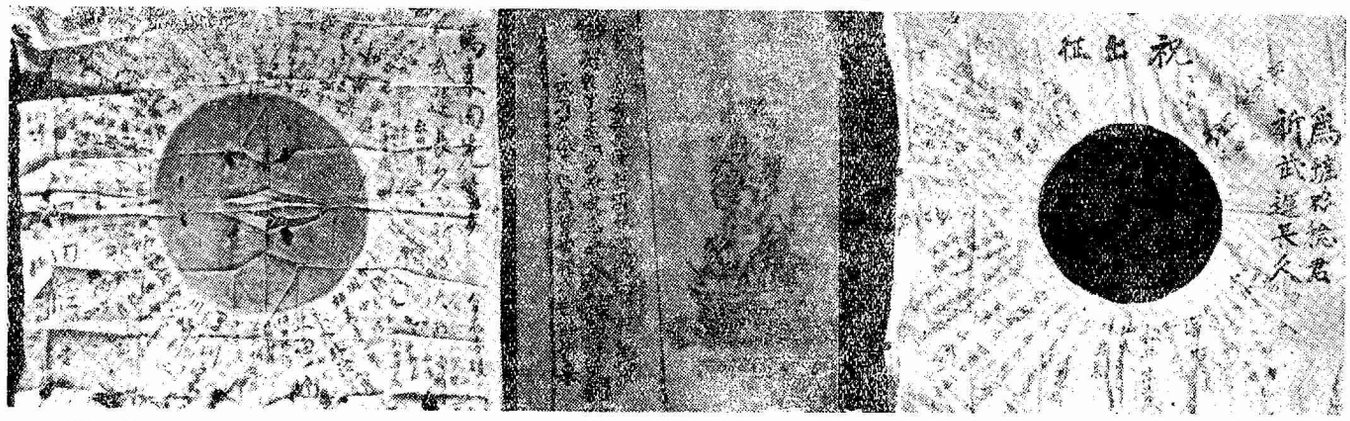
TALISMANS AND CHARMS FROM BODIES OF JAPANESE SOLDIERS



The illustrations on each end of the panel above are good-luck charms, in the form of Japanese flags, upon which are written the names of friends and admirers, who wish the bearer good luck in the China war. The illustration in the center is a talisman, probably obtained from a Buddhist priest, which was supposed to protect the bearer against Chinese bullets. The originals of these charms were obtained from bodies of Japanese soldiers killed in the Taierchwang battle.

Local Court of "Ta Tao Government" Functioning

Although the "So Chien Chu" (local court) of the puppet Shanghai Government has been abolished by order of the puppet "Reformed Government" in Nanking, the court is functioning as usual under the supervision of the Korea, Li Ping-shing, Chinese report. Hu Chen-ku, president of the court, who tendered his resignation recently, has been appointed as Director of the "Peace Preservation Corps of Shanghai." The relations between Soo Hsi-wen, mayor of Shanghai and the "officials" of the "Reformed Government" in Nanking has been aggravated because of the demand of the latter to abolish the local court and it is reported that each of them appealed to Japanese for assistance.

"Reformed Government" To Have Shanghai Offices

The so-called "officials" of the "Reformed Government" have always stayed here instead of Nanking. The buildings of the Civic Center of the City Government of Greater Shanghai, which were seriously damaged during the hostilities, are being repaired by the Japanese and will be used as offices of the various Government offices of the Nanking puppet regime, the *Wen Hui Pao* says, It is reported that the repair work was to be finished by the end of May and the offices of the "Reformed Government" were to be opened in the middle of June. In order to protect these "officials" from Chinese guerillas, all Chinese residing in the area have been driven out from their homes in the past few days and the former Civic Center will soon become a forbidden city of puppets, the paper claims.

Cargo Removal from C.M.S.N. Wharves

Applications for the removal of remaining cargo from the Central and Lower Wharves of the China Merchants' Steam Navigation Company in Hongkew were accepted for a 45-day period beginning June 1, Japanese naval authorities have announced. Goods owned by Japanese and third party nationals, as well as Chinese, will be permitted to be removed, the announcement said. "As regards those goods for which no applications have been received by July 15, the closing day for the acceptance of the applications, the Imperial Japanese Navy will, at its own discretion, dispose of such goods as absentees' property," the statement declared.

Yarnell, Augusta Arrive

The U.S.S. Augusta tied up at the U.S. Naval buoys in Shanghai June 6. With Captain McKittrick in command, and flying the flag of Admiral Yarnell, Commander-in-Chief of U.S. Asiatic Fleet, she arrived here after a fast passage from Chinwangtao. The Augusta is expected to remain in Shanghai as station ship for the next five months after which she is reported scheduled to go to New York City as the U.S. Navy's exhibit at the World's Fair to be held there in 1939.

Other arrivals were the U.S.S. Isabel, commanded by Lt. Commander P. M. Money, which returned to Shanghai, mooring at the Shanghai Oil dock in Pootung June 4 and H. M. S. Cricket, which tied up alongside H.M.S. Adventure June 6. The U.S.S. Oahu left last Saturday resuming her regular patrol duties on the Yangtse River. The U.S.S. Tulsa is scheduled to leave here June 15, sailing for Tsingtao and from the Shantung port directly to Amoy, Swatow, and Hongkong, arriving eventually at Cavite, P. I. for overhaul.

Japanese Sell Siamese Railways Eight Locomotives

The Kawasaki Rolling Stock Works of the Kawasaki Dockyard at Kobe, the Osaka Locomotive Works, the Hidachi Kudamatsu Rolling Stock Works and the Nagoya Nihon Rolling Stock Company, have completed an order for 8 locomotives to be delivered to the State Railways of the Kingdom of Siam. The engines were shipped to Siam on a Mitsui Bussan freighter which sailed from Kobe for Bangkok on May 18. The locomotives are of one-meter guage, used on light railways. They are wood-burners and are said to attain a speed of 40-kilometers an hour. The Japanese mills experienced considerable difficulty in filling the order due to pressure of the Army for munitions which are made in the same plants.

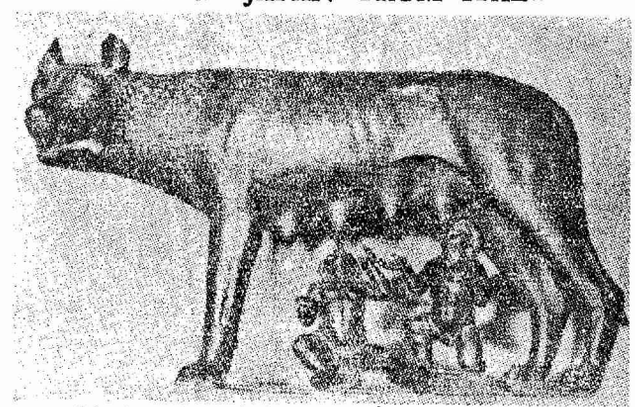
American Missionary Shot by Japanese

An American missionary, Dr. F. G. Scovell, was shot and wounded by a Japanese soldier at Tsining last week, according to an official of the American Embassy. Dr. Scovell, who is a member of the American Presbyterian Mission, is expected to recover. The Embassy is forwarding to Washington a report on the shooting.

Will Henry Pu Yi Come to Peiping?

Reports are current here to the effect that a Mr. Wang came to Shanghai in the early part of May from Manchuria to negotiate with the "officials" of the "Reformed Government" for the restoration of Henry Pu Yi, "Emperor" of the "Manchukuo" to the old throne in Peiping.

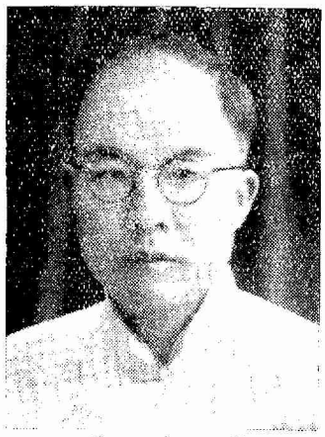
LOVE TO JAPAN—FROM ITALY



Displays of goodwill and mutual affection evidenced between Italy's mission to Japan and the Japanese. Witness, above, the latest token of endearment presented by the Italians to Tokyo. If you're wondering, it is a bronze statue of the Roman She-Wolf which according to legend, suckled Romulus, the first king of Rome, and his brother, Remus, on the banks of the Tiber.

Who's Who in China

Tseng Yu-hao, jurist; born at Kaying, Kwangtung, 1900; educated in Chinese classics and history; attended government and private academies in South China and Shanghai College, Shanghai; after winning a Boxer Indemnity fellowship, studied at Johns Hopkins University, Columbia University, University of Paris and School of Law Administration with A.B., A.M., Ph.D., C.L.A., D.C.L. (can.) degrees and certificates; received practical training at several prominent American law offices; President of High Court for Anhwei Province; President of High Court for Kansu Province and Procurator of the Supreme Court for nine years; lecturer on Law and Political Science in the National Institute of Self-government; assistant instructor in Economics and Social Science in Shanghai College; lecturer in Chinese and English languages in Kaying College; Professor of Law in Anhwei University and Lecturer on Law at the Kansu College of Law; author of "Government of the Chinese Republic," "China's Diplomatic History," "Cases on International Law," "The Family Law (in Chinese)," "Modern Chinese Legal and Political Philosophy," "Termination of Unequal Treaties in International Law," and "American Judiciary and its Problems" (in English); He also held several diplomatic and administrative posts; travelled extensively, around the world twice; he is now again touring in Europe and America.



曾友豪
Tseng Yu-hao

Japanese to Buy Out U. S. Tobacco Firm at Tientsin

Further expanding the firm's activities in North China, the shareholders of the Manchuria Tobacco Company on June 1 decided to purchase the interests of Karatzas Bros., an American cigarette manufacturing concern in Tientsin. While the exact amount to be paid to the Karatzas Bros., was not divulged, it was learned that the Manchuria Tobacco Company had filed an application with the Finance Ministry for a permission to spend Yen 1,000,000 in a foreign exchange transaction.

Producing annually 800,000,000 cigarettes, the American firm was reported to be earning a net profit of $20,000 a month. Directors of the Manchuria Tobacco Company were reported to be planning to make the newly acquired firm the nucleus of a subsidiary enterprise, capitalized at Yen 10,000,000. The annual output of cigarettes of the projected company has been tentatively put at 1,500,000,000.

In Court Here in March

Judge Milton J. Helmick, in the U. S. Court for China March 25, decreed the revocation of the certificate of incorporation of Karatzas Brothers, a tobacco firm in Tientsin. The action was brought by Mr. Leighton Sheilds, District Attorney, in the name of the United States at the request of Miss A. Viola Smith, Registrar under the China Act. As grounds for revocation the complaint alleges the following violations: that the executive management of the corporation has been wholely surrendered by the directors to one individual who is not a citizen of the United States; that shares of capital stock have been paid with other than cash and no certificate describing the consideration, etc., has been filed with the Registrar; that the annual report for 1936 recited a fictitious indebtedness of $400,000, and that the annual report for 1936 does not contain a correct statement of the ownership of the shares of the capital stock.

Dollar Line Offered Subsidy

The Maritime Commission June 6 announced in Washington that it had authorized an annual subsidy for the Dollar Line amounting approximately to U.S.$3,000,000 under a five-year operating subsidy contract. The Commission agreed to advance U.S.$1,500,000 to recondition and repair thirteen Dollar vessels. The subsidy contract covers also plans to re-arrange the present indebteness of the Dollar Line to the Commission in a sum of U.S.$7,474,193 to enable the company to obtain a Reconstruction Finance Corporation loan of U.S.$2,000,000 for a working capital. The Commission requires the Dollar company's acceptance or rejection of the offer within ten days.

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Men and Events

M. J. Harris of the *Associated Press* departed for Hongkong and Canton on Tuesday of this week.

I Epstein of the *United Press* at Hankow, has been transferred to Canton.

C. F. Cress, Far Eastern representative of Dodge Brothers, is in Shanghai at the Cathay Hotel.

John Alban McCausland, editor of the magazine *Humanity* at Shanghai, has gone to Hankow.

Dr. George Sellett, American attorney of Shanghai, has returned from a business trip to Hongkong.

Hwa Nan College, well known girls school in Foochow, Fukien province, has been removed to the city of Yenping, Fukien.

Hans Melchers, representative of *Trans-Ocean*, returned to Shanghai from a six weeks trip to Hankow, Canton, Hongkong and also to Kwangsi province.

Peter Fleming, special correspondent for the *London Times*, returned to Shanghai from the Lung-Hai railway front this week.

Sun Fo, President of the National Legislative Yuan, who has been in Moscow, conferred with Wunsz King, Chinese Minister to The Hague on June 4.

Prof. Sigmund Freud, famous Austrian Jewish psychoanalyst, forced to leave Vienna after the Anschluss, will reside in London in future.

The Russian Philatelic Society of China, composed of stamp collectors, held its annual "bourse" or auction in Shanghai last week. B. Makhlaevsky is president of the organization.

Harold R. Isaacs, former newspaperman in Shanghai, who is now in New York, is the author of a new book, "Tragedy of the Chinese Revolution," published by Secker and Warburg, London.

Malcolm McDonald, former correspondent for the *London Times* in Peiping, will reside in Shanghai in future. The *Times*' office in Shanghai is now located at No. 34 Avenue Edward VII (6th floor.)

Takeji Kaneda, manager of the Shanghai branch of the Bank of Taiwan, has been appointed assistant manager of the head office in Taihoku, Formosa. Eiichi Okamoto, formerly at Dairen, has been appointed manager here.

Mrs. Grace Holbrook Tewksbury, wife of the Rev. Elwood G. Tewksbury, secretary of the China Sunday School Union, died on Thursday, June 2 at the age of 72 years. Burial was at the Bubbling Well Cemetery.

Mikhail Slavutsky, Soviet Ambassador to Japan, departed for home on June 5, the announced reason being ill health. Mr. Slavutsky was previously Consul-General in Harbin. He was accompanied by his family on the return journey to Moscow.

According to a *Kuomin* dispatch from Kianghsien, southern Shansi, the Chinese post office has restored service to 25 districts of southern Shansi which have been re-occupied by Chinese troops. The report stated that about two-thirds of the normal populations had returned to their homes in the area.

Shinrokuro Hidaka, Japanese Consul-General at Shanghai, is planning to issue letters of appreciation to local Japanese who were responsible for "outstanding activities" in the course of the Shanghai hostilities. He has asked local Japanese organizations and newspapers to assist in compiling lists.

Prince Yasuhito Chichibu, younger brother of the Emperor of Japan, returned to Tokyo on June 4 after a tour of the battle front in China. While in Shanghai, according to *Domei*, Prince Chichibu granted an hour's audience to Shin Izawa, former clerk employed by the Prince.

Dr. Rufus M. Jones, President of Haverford College, who is in Shanghai making an investigation of relief problems on behalf of the Society of Friends, was scheduled as guest of honor and speaker at a luncheon given by the Foreign Y.M.C.A., 12:15 o'clock, Friday, June 10. The subject of the address will be "Some Great Adventures."

Gen. James G. Harbord, retired U. S. Army officer, now President of Radio Corporation of America, who was in Shanghai last week, is now in Japan and according to reports from Tokyo was scheduled to make a brief trip to Manchukuo before returning to the United States. Gen. Harbord attended the World Radio Conference at Sydney, Australia.

Dr. F. L. Hawks-Pott, President of St. John's University, is scheduled to speak at the morning service at Community Church on Sunday, June 12. On June 19 the morning address will be delivered by the Rev. C. W. Worth of Hangchow, while on June 26 the speaker will be Y. T. Wu, Secretary of the International Committee, Y. M. C. A.

The Japanese, on June 6, conducted a party of foreign military attaches over the Tazang, Soochow and other battlefields of the Shanghai area. The group, all of whom are accredited to the Tokyo government, was composed of Lt. Col. G. Bagulesco, Roumania; Major Paul Thiebaut, France; Capt. Wilhelm Nehmiz, Germany; Capt. John Weckerling, United States; Lieut. P. G. Parker, Great Britain. The party was brought here from Tokyo by Japanese military officers and while in Shanghai were guests of Gen. Shunroku Hata, Commander-in-Chief of Japanese forces in Central China.

A party of armed Japanese wearing plain clothes, invaded and searched the premises of the Chinese Kwang Hwa Middle School on Chengtu Road, International Settlement, on June 2. The Japanese announced they were searching for anti-Japanese "elements," and devoted more than an hour to inspection of school books and essays written by students.

Gordon Campbell of Monterey, Cal., has been appointed Marshal of the U. S. Court in succession to Edward L. Faupel, who has resigned. Mr. Campbell was quarterback on the Stanford University team when in college. Prior to departure for China, it was announced that Mr. Campbell would be married to Miss Doris Dale, also of Monterey.

Kyosuke Tamai, President of Mitsubishi Dockyards, Nagasaki, arrived in Shanghai on June 4 to inspect the Chinese Kiangnan Dockyard near Shanghai which was seized by the Japanese naval authorities and handed over to Mitsubishi to operate. Mr. Tamai brought 12 Japanese workers with him, who will join the large colony of Japanese laborers already employed at the plant.

The Japanese Modern Science Library, closed a year ago, has been re-opened at 149 Szechuen Road, International Settlement. According to the announcement the library includes 20,000 volumes dealing with economics, industry, natural science and law, novels and books for children. A special collection of books on the Orient in Japanese, Chinese and foreign languages, will be added in July.

M. Jean Brionval, connected with the French Consulate-General at Shanghai, departed this week for Bangkok, Siam where he will be attached to the French Embassy in that city. Mr. Brionval will serve in the position previously occupied by M. Guillaume Georges Picot, who was appointed First Secretary of the Embassy in China. Mr. Brionval came to Shanghai in 1932 as vice-consul and later was promoted to the position of Consul-adjoint.

Mr. and Mrs. George F. Pierrot of Detroit, who were in Shanghai last week on their way home, following a trip to India, are now traveling in Japan. Mr. Pierrot, formerly editor of the magazine *American Boy*, is now director of the "World Adventure Lecture Series." Mr. Pierrot's present assignment involved the writing of letters from various Oriental countries to some 500,000 American junior high school and high school students.

The *China Journal*, monthly magazine, published in Shanghai for several years by Arthur De Carle Sowerby, has been transferred to the China Journal Publishing Company, Ltd., incorporated in Hongkong. While not referred to in the official notice, it was reported that H. J. Timperley, correspondent for the *Manchester Guardian*, will be editor of the publication, after Jan. 1, 1939, when he returns from London.

The Canadian Pacific steamer Empress of Britain, largest of the C. P. R. fleet, will anchor directly at Treasure Island, San Francisco Bay, during the San Francisco Exposition in 1939. The island, consisting of 400 acres, located in the center of the bay, which will be the site of the "Pageant of the Pacific," has a depth of 50 feet in the cove where the Empress will dock. The island was largely built from earth excavated from the harbor.

Fred W. Schlobohm, an American who resides in the Hungjao district, was severely injured on June 4 when the cap of a shell which he was examining, exploded, blowing off the middle finger of his left hand. He was taken to the Paulun hospital where two other fingers were amputated due to injuries received. Mr. Schlobohm is an automobile engineer, connected with the China General Omnibus Company.

The Chinese Embassy in London on June 2 published an advertisement in the London and Paris newspapers warning the public against "forged documents purporting to be issued by the Embassy authorizing the holder to purchase arms on behalf of China." Scotland Yard and Paris police were asked to assist in tracing the forger of the documents. The advertisement stated that the Embassy had not authorized anyone to purchase arms on behalf of China.

The Rev. E. B. Copland, member of the United Church of Canada mission, arrived in Shanghai this week on his way to Hwaiking, Honan province, where he is stationed. Rev. Copland was in the section of Honan, south of the Yellow River when the fighting started in that area and as a result was cut off. In order to return to his station, now within the Japanese lines, he had to travel to Hankow, Canton and Hongkong and then by ship to Shanghai and North China.

An auction of Chinese antiques and works of art was held in Paris on June 2, the purpose being to raise funds for Chinese students who are stranded in France as a result of the war situation in China. The articles sold included paintings from the fifteenth to twentieth centures and several modern drawings by a young Chinese 7-year-old prodigy. Among those who attended the auction were Dr. V. K. Wellington Koo and Madame Koo and M. Marius Moutet, former French Minister of Colonies.

A Chinese woman named Mrs. Teha-tung Lee, resident of Singapore, Straits Settlements, found a balloon, filled with hydrogen gas, which had a tag attached indicating it had been released by a class in chemistry at the Verdun High School, Verdun, Quebec, Canada. The balloon had drifted through the air a distance of approximately 13,000 miles. Mrs. Lee offered to return the balloon if the chemistry class in Quebec would send her the postage.

85-076

Dr. T. B. Dunn of the medical firm of Dunn, Nance and Hoffman, is planning to depart for the United States at the end of the present month. He will return in the autumn.

H. W. Klovekorn of the Construction department, Shanghai Telephone Company, returned this week, from a trip to New York. He was accompanied by Mrs. Klovekorn.

Major Arthur Bassett, director of the British-American Tobacco Company, and chairman of the American Advisory Committees of the American and International Red Cross, is planning to depart for the United States at the end of the present month. He is planning to return to Shanghai in November.

Sydney John Powell, well known British engineer and contractor of Shanghai, died on Sunday, June 5 at his residence in the French Concession. Mr. Powell was for several years construction engineer with the Standard Oil Company and later engaged in general contracting. He was the builder of the Dollar Wharf.

The French police, on May 26, arrested a Chinese man and woman just as they were about to embark on the British steamer Tingsang for North China, and seized $16,000 in counterfeit notes which the couple was carrying. The notes were spurious issues of Bank of China and Bank of Communications notes of $5 and $10 denominations. The notes were concealed in an oil tin and jar, both of which had false bottoms. Their object, apparently, was to distribute the counterfeits in Japanese-controlled areas in North China.

John Gunther, former correspondent of *Chicago Daily News*, author of the best seller, "Inside Europe," and numerous magazine articles, sailed from Yokohama for the United States on June 3. Mr. Gunther visited South China and Hankow, and also Shanghai and North China for the purpose of collecting information for another book dealing with the situation in the Far East. According to the Japanese papers Mr. Gunther's book will be called "Outside Asia." While in Tokyo he interviewed Konoye, Ugaki, Ikeda and other high Japanese officials.

Joseph Davies, American Ambassador to the Soviet Union, who is returning to the United States shortly, was guest of honor at a reception given by Chairman Molotov of the Council of People Commissars on June 5. Among those present was Stalin, who, according to the *Tass* report, spent two hours in conversation with the departing American Ambassador. In an interview with the Moscow newspapers, Mr. Davies said he had traveled in all parts of the U. S. S. R. and was deeply impressed by the enormous industrial construction throughout the country.

Mrs. Z. F. How, widow of the late founder of the *Commercial Press*, died on Tuesday, June 7 at the age of 65 years. She is survived by her son Bang How and eight daughters, Miss Moli How, Mrs. Ruth Kuo, Mrs. Frank Ling, Mrs. Nelson Chiang, Mrs. Albert Suez, Miss Looyuin How and Mrs. Wilfred Wong. Mrs. How was the daughter of the late Christian pastor Bao Chi-tsai, first Chinese pastor of the Presbyterian Church in Shanghai. She was married to Mr. How in 1895, two years before the establishment of the well known printing concern. Mrs. How was one the outstanding Chinese women of Shanghai being a contributor to charities and assistant of Christian philanthropic enterprises. A memorial service in her honor will be held at the Moore Memorial Church at 3 p.m. Tuesday, June 14.

Chinese "Y" Mobilized

For the continuation and expansion of its emergency services called forth by the war, the National Committee of the Chinese Y.M.C.A. which supports, fosters and coordinates the activities of some 200 city and student "Y's" in the country, has mapped out another program which will require $200,000, according to Mr. E. H. Munson, of Grinnell, Iowa, U.S.A. American secretary of the National Committee, now in Hankow. The new six-month project beginning on June 1, 1938, will succeed the nine-month emergency programme adopted last September. Besides maintaining the services among the soldiers in the field, refugees, students and youths in various walks of life, the National Committee during the second period will take on additional work, namely, service among Chinese soldiers at the large number of training camps in the interior.

S.M.C. to Tattoo P.W.D. Coolies

Chinese coolies employed by the Public Works Department may seen be offered a free tattoo service by the Shanghai Municipal Council. This was revealed last week by a spokesman for the Japanese Navy, in discussing the problem of innoculations against the rapidly spreading epidemic of cholera. In connection with the requirement made by the Japanese authorities that persons entering Japanese-controlled territory should be innoculated, the S.M.C. had suggested that P.W.D. coolies innoculated against cholera be branded with indelible ink, the spokesman said. Officials of the S.M.C. had intimated, according to the officer, that a certificate system would be of no value, since coolies would be tempted to sell their passes for a few coppers and later report that the certificates had been lost.

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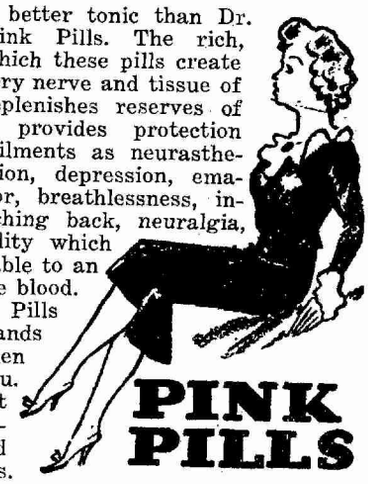

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85-077

New Books of Interest in the Far East

Poetic Study of Chinese Women

Chinese Women, Yesterday and Today, by Florence Ayscough, Houghton Mifflin Company, 1937, price G.$3.50.

This is the seventh volume on Chinese subjects produced by Florence Ayscough. Most of the others are translations of poetry—and this one is no exception. About a fourth of the book seems to be made up of short poems translated from the Chinese, and the rest of the space is largely devoted to poetic literal translations of names, such as calling Soong Mei-ling "Beauteous Years," and others "Mirror-Lake Woman Champion," "Mr. Cultivator-of-Bamboos," "Mutation-of-Peace," *ad infinitum*, even to calling the swimming champion "Miss Beauty Fish." And the author cannot bear to refer to "China" by such a prosaic name. It is always "Central Flowery State." The result of this is that one cannot get through more than a few pages at a time without feeling a sickening sweetish feeling rising in one's throat, as after a steady diet of taffy-candy.

This literal translation of names is just quaint nonsense. There is no more justification for it than for the Chinese to come along and dissect "Florence Ayscough" into its original meanings. I don't know exactly what that might be in oldye English but hazard a guess that it would turn out something like "Flowery Yes-cough," if "Florence" comes from the Latin *floris*, or flower, and "ays" is the plural of "ay." Or, to be even more specific, an enterprising student could make it according to the dictionary as: "Flowery Affirmative-vote Expel-air-from the-lungs-in-a-sudden-noisy-manner.' Every proper name in every language can be traced to its origins, and a proper name in China is just as much a name instead of a *phrase* as elsewhere. To persist in literal translations is mere precosity and "florid" poetic license. And nothing is so confusing as to try to identify persons by such quaint nomenclature. Furthermore, it may be remarked that "*Chung hua*," as a general term, long ago lost the meaning of "Central flowery," just as one does not think of "Free State" when one says "France" or "Frank," from the Latin-French word "franc" or "free." It may be added that as often as not the reason the Chinese use the word *hua* is as "magic' to dispel ugliness, and the worst-smelling towns are usually the ones with the *hua* attached to their names, just as those with *an* or "peace," are the towns where there is no peace. For the same reason small-pox is also *hua!*

Nor can this reviewer find any legitimate reason for translating Chinese poetry into pidgin English, fancying that by leaving out articles and verbs and inserting great open spaces the meaning is preserved. There is no more reason for this than for translating Greek into Gertrude Stein grammar. Ideographs are *visual ideas* and can't be translated literally without losing the meaning. What is gained by this kind of pidgin-poetry is hard to see:

> "Once more, road from home, stretches, three thousand *li*.
> Turn head, gaze at clouds, suffer increase, of frontier-pass emotion." (p.154).

> "*Chih chih* once more *chih chih*.
> Mu-lan at doorway weaves . . . .
> 'Army list ten and two rolls,
> Each roll, each roll, bears father's name . . . .
> Am willing to prepare, offer price, for saddle-horse,
> Will. in place of honored father, march.' "etc., etc. (p.219).

Mrs. Ayscough's book, however, is not entirely composed of poetry and poetic fancies. It is divided into three parts: (1) Chinese women of today (2) Chinese women of yesterday, and (3) a "postlude" describing "The Way " of Maidens, of Husband and Wife, of Wives and of Mothers, etc. The first part, on Chinese women of today, is very weak and certainly does not handle its subject effectively. The last part is excellent, however, and much better fitted to Mrs. Ayscough's romantic vein. The second section makes a historical study of about nine famous Chinese women of the past, and contributes valuable material on this subject.

In Part One, Mrs. Ayscough discusses "Chinese ladies" generally—their childhood, girlhood, marriage, education and professions (interspersed with an incredible number of pages of poetry)—then adds thirteen pages on the three Soong sisters, two pages on "Communist Women," and nine pages on "The Shifting Scene." This part is very inadequate in view of the immense role Chinese girls—not "ladies"—are playing today, and contains very little information except about manners and customs—now more past than present, incidentally.

On the whole, the volume is a very sympathetic study of its subject, however, and one of the pioneer works in this much-neglected field, so it is a valuable contribution to the literature on China even if it contains more poetic padding then actual information.

N. W.

Dogs and Dogs

Dogs of the World, by Eve Parshalle. Suttonhouse; San Francisco and Los Angeles.

Dog lovers will welcome this addition to their library, for it is the first book to be published, as far as we know, concerned with the origin traits and characteristics of all breeds of dogs. It is really a canine directory accompanied by pictures of prize winning champions of the various breed throughout the world. Dogs of the Orient, Ireland, those belonging to the wandering tribes of Siberia, the Samoyede, the Saluki hounds from the deserts, and others.

Many of our lives have been enriched by animal pets and a book of this type is important not only to carry out the well known slogan "be kind to animals" but can bring influence to bear on intelligent character building of one of the bravest and most loyal of friends, the dog. The author classifies the various dogs into sporting; working; terriers; toys; and non-sporting, furnishing dog owners with invaluable information and creating in others a desire for this creature so faithfully identified with man's daily existence. The literature devoted to the history of the dog, dog heroes, sentry dogs (war heroes), kindness to this important animal, care of the dog, etc., qualifies the author's work as a most authentic reference book.

M. P. W.

Former Shanghai-Man Writes

Land of the Yellow Spring, by Verne Dyson. Chinese Studies Press, 618 11th. Avenue, New York. Cloth, $1.50, silk binding, $2.50. 144 pages, illustrated.

Verne Dyson, well-known to Shanghai for having resided here some years, and having founded the Shanghai Short Story Club, has published a new book on the use of Yellow by the Chinese. It is a discourse, written in a popular manner, on the meaning of Yellow to the Chinese in all aspects of their culture.

Mr. Dyson, after eight years in Shanghai went to the Philippines for five years and is now living in New York City, where he directs the Chinese Culture Circle, the purpose of which is to "study the art, life, lore and general culture of China 'the seat of the one fine and truly great civilization of all human history,' and to foster that splendid civilization." He is also open for engagements for lectures on Oriental cultural or political subjects for study groups, clubs, forums, schools or colleges.

Some may question the authenticity of his conclusions about the place of Yellow in Chinese life, but westerners who sigh whenever they think of that quaint land of China will be more than exhilirated and satisfied with the author's presentation of his thesis. The intention is to entertain, and since it is, sinologues should not question the science of the work.

Mr. Dyson says the people of the East, especially the Chinese, think of yellow as the color of honey, of gold and of the sun, and the most luminous band of spectrum, as the emblem of man's unity with the whole of creation, holding the sweet secrets of eternity. "With the Chinese, the most fascinating and the least understood people in the world, yellow is the treasured possession of men and gods. The faces of the Chinese, their good earth, their sacred river, and their neighboring sea are painted with it. All the varied tones and hues of yellow the Chinese love: Golden, brown, towny, flavous, fallow, saffron, amber, creamy, sandy, and citrine which is 'broken' or 'saddened' yellow."

As proof of his preface, Mr. Dyson presents twenty short, public-speaker—type, chapters on the YELLOW: Race, Emperor, Earth, River, Reach and Shanghai, Sea, Peak of the Center, Rose of Union, Middle, Castle, Monastery, Dragon, Bird Ode, Bell-the Birth of Music, Duck, Crane Tower, Of an Ancient Tale, Millet Dream and the Awakening, Jacket, And the Yellow Spring.

The pen and ink drawings by Arthur G. Learned add much to the book, even though they are not well reproduced. The proof-reading is not all it should be.

M. V.

New-Style Olympics Proposed Between Japan, Germany and Italy

The German Government has planned to hold a tripartite athletic meet between Japan, Germany and Italy, the three anti-Comintern countries, on June 26 and has asked for Japan's participation. The athletic meet is to be conducted on a novel plan, *The Tokyo Nichi-Nichi* reports. The athletes to participate in the affairs are to be restricted to youths of 16 to 18 years of age in Berlin, Tokyo and Rome, numbering 90 each. The athletic program is to be carried out in Tokyo, Berlin and Rome at the same time and the records will be exchanged by telegraph. The track and field games including decathlon will be staged in the meet. First nine records will be counted, giving 10 points for first place, eight points for second place, seven points for third place and so on and one point for ninth place. Supremacy will be counted on the basis of the total points collected. Winners will be given prizes from foreign countries. Thus the spirit of the youth of the three anti-Comintern countries is to be enhanced, an unprecedented affair in the annals of world sports.

"Door" to Open in Northern Areas?

The "open door" to Shanghai north of Soochow Creek may be restored in the near future as the result of negotiations between the Customs Administration and the Japanese authorities, *The China Press* reported this week. Started some months ago directly between the Japanese and the Customs authorities, the negotiations, principally requiring a resumption of free examination of incoming vessels discharging at wharves in Hongkew, Yangtszepoo and Wayside, were reported to be in a hopeful stage. While conferences regarding the principle of unrestricted Customs operations in Shanghai have been carried on for some time between London and Tokyo, the local administration, more concerned with the resumption of an efficient service than the immediate security of foreign loans made against customs revenue, opened their own negotiations with local Japanese authorities, stressing the necessity of controlling the flood of smuggled imports from Japan.

This "special trade," exposed a month ago in *The China Press*, and reviewed at some length under the title "Japan Removes the Open Door's welcome Mat," in the *China Weekly Review*, (April 23) grew steadily in April, and largely at the instance of the Japanese naval and military authorities themselves, talks were opened with the Customs administration to stem what had become a public scandal. It is understood that following a series of conferences between the Customs Administrations and the Japanese authorities, a tentative base for agreement has been reached whereby only foreign and Japanese examiners will board incoming Japanese vessels, while foreign, Chinese and Japanese examiners will board other vessels. It is believed that if the wharves north of the creek are reopened to foreign and Chinese customs examiners, they will automatically be reopened to the general public, with no restriction on movements.

Parallel with the Customs negotiations for a resumption of the "open door" north of the creek, it will be recalled that some time ago the Shanghai Municipal Council forwarded a reply to Japanese demands for increased influence in the Council, pointing out to the Japanese authorities that so long as the areas north of the Creek were withheld from Council control, the Council was suffering heavy losses. In meeting the demands of the Japanese to a large extent, the Council left the way open for a rendition by the Japanese of the northern areas to the Council, and it is anticipated that some developments in this direction may be forthcoming in the near future.

Pirates Raid Dollar. Tender

About 20 pirates from seven junks, co-operating with 10 accomplices already aboard in the guise of passengers, successfully pirated the Dollar Line's tender s.s. *Dollar* off Liuho Point May 31. The value of the loot is estimated at $20,000. Flying the American flag, the Dollar tender under the command of No. 1 Laodah, Cheng Lao-ng, veteran employee of the company, was proceeding down the Yangtse River en route to Shanghai. In tow were lighters Nos. 476 and 802. Aboard were 300 passengers and a heavy cargo of rice, silk cocoons and cloth. When passing Liuho Point, 80 miles upriver from Woosung Laodah Cheng and others of the crew noticed seven junks moving rapidly toward the vessel from the direction of Yalingkiang. A moment later and every man on the bridge was covered by a pirate with a revolver in his hand. Other pirates sprang down the narrow engine room ladder and forced the chief engineer to stop the engines.

Some $2,000 in currency was taken from Foo Ching-dong, compradore, representing Dong Shing Shipping Company, subcharters of the vessel. Money and valuables wrested from the cowering passengers and members of the compradore's satff are said to total about $5,000. Somewhat over 1,000 bags of rice were transferred to the priate junks. At $12 to $13 per bag this approximates $14,000 worth of rice.

U.S. to Extend Silver Purchase Plan

"Now we know where we stand," stated a London financier in voicing a general welcome to the American extension of the agreement to purchase additional silver from China. The hope is expressed that the agreement will tend to strengthen Chinese exchange. The *Times*, in a leading article, says that pressing as China's need for some such arrangement was in 1936 it is now doubly so. The extension of the agreement should be of great assistance to the Chinese Government in its effort to maintain exchange under the war strain to which it is now subjected, and it will also remove the contingency of forced sales of silver by China in the world market.

Japanese to Bar "Undesirable" Aliens from Entering North China

The Japanese-supported "Provisional" Government at Peiping, will shortly establish passport vise offices at Tientsin and Tangku, for the purpose of preventing "undesirable" foreigners from entering areas controlled by the Japanese Army. According to the *Domei* report, particular attention will be paid to foreigners "possessing no nationality, who are likely to disturb peace and order."

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85-079

SZECHUAN OPENS IT'S DOOR TO THE WORLD

(*Continued from page 58*)

preparation, there will be calls for many public utility enterprises, such as water-works and electricity supply plants. Some German firms have been far-sighted enough to watch for economic articles in local publications and have them translated for further reference.

Most of the larger foreign firms in China have now offices or agencies in Chungking and Chengtu, with a Chinese manager in charge. Those shipping, engineering, and insurance concerns transacting larger volumes of business, maintain also a small foreign staff. Motor-car and mineral oil products could have all the trade they wanted, provided that they would be able to fulfill the orders. With the aid of Chinese managements, nothing appears impossible.

Low-water level and lack of heavy bottoms have not discouraged any from shipping tons after tons of machinery from the lower up to the inner Yangtze River for the 50 or more factories now being installed in Szechuan; and hundreds of cases of valuable books and antiques have been able to find their way from Peiping and Nanking to all parts of Yunnan, Kweichow, and Szechuan.

Resources Great

Speaking of Szechuan alone, Ho Peh-heng, commissioner of Reconstruction at Chengtu, states that this province is as large as France but more resourceful. It is capable of backing the Chinese Republic in her struggle with the enemy. Szechuan has a population of more than 50,000,000, excluding those in Sikang, with more than 370,000 square li of territory.

Since the Sino-Japanese conflict, a score of educational institutions, big and small, have also come to Szechuan. Chengtu alone now entertains more than 10 universities and colleges. In connection with the movement for the regeneration of China, says Dr. Chih-ber Kwei, librarian of National Szechuan University, Szechuan, particularly Chengtu, has become the Angora of China. This should be the case, and not without reason. Bounded north by Kansu and Shensi, east by Hupeh and Hunan, south by Kweichow and Yunnan, west and north-west by Tibet and Kokonor, Szechuan is not only the largest of all the Chinese provinces, but also the richest in potential industrial production.

HANKOW CLAMPS DOWN ON REMITTANCES TO AREAS UNDER JAPANESE CONTROL

(*Continued from page 55*)

The Nanking puppets are reported to have decided to issue bank notes for circulation in Central China. Chen Cheh-min, "chairman" of the "Kiangsu Provincial Government," who organized recently the "Kiangsu Provincial Bank" has been instructed by the Nanking puppet regime to issue those notes. However, all printing plants approached by Chen have refused to print these notes.

Large quantities of copper coins have been smuggled out of Shanghai by Japanese and Koreans. These copper coins are being manufactured into arms and munitions by Japanese arsenals, Chinese report. According to well-informed circles, one of the Japanese offices for the collection of copper coins is located at House No. 7, Bubbling Well Terrace on Bubbling Well Road. Under the leadership of a Korean, a number of traitors are collecting copper coins in the city. Every afternoon, $1,000 worth of copper coins are sent away in Japanese military trucks from the office, Chinese says.

Shanghai is over supplied with Japanese Yen notes, according to the *Hsin Sen News Agency* and as a result the value of these Japanese notes has been greatly depreciated. This situation results from attempts of the puppet regime in North China to maintain a uniform rate of exchange for the Chinese legal tender notes, the bogus notes issued by the "Federal Reserve Bank" and the Japanese Yen, local financiers say. In the past few months, large quantities of Chinese legal tender notes were shipped to North China and changed to bogus notes issued by the "Federal Reserve Bank." These notes were then changed to Japanese Yen notes. These Japanese notes were then shipped to Shanghai again to change for legal tender notes as the value of the latter is lower than the former in the local market. By this method, it is reported that large numbers of people have made a fortune in the past few months.

In view of the presence of large quantities of Japanese Yen notes here, the Japanese banks have refused to accept them for exchange into legal tender notes lately and as a result value of these notes have rapidly depreciated. It may be noted that Japan has extended complete control to her currency and if unnecessary no permits are issued for the transportation of Japanese Yen notes to or from Japan. Last week the Yen was worth 99 cents to the Chinese dollar.

Concerning Loan Reports

Loan negotiations are going on in London between the Chinese Ambassador Quo Tai-chi, and the British Deputy Under-Secretary for Foreign Affairs, Sir Alexander Cadogan, according to *Domei*. Quoting information reaching Chinese bankers in Shanghai, it was reported that the Anglo-Chinese negotiations are being conducted regarding the granting of £10,000,000 credit or a loan to China by Britain with salt gabelle revenue as security.

Britain was said to be demanding a mining concession in Yunnan in view of the fact that the salt gabelle revenue is insecure because the majority of salt producing centers and most of the Chinese coast now are occupied by Japanese forces. The negotiations are making slow progress, *Domei* said, "owing to China's reluctance to grant a mining concersion in Yunnan to Britain which already has been partly given to another foreign country in consideration of the latter's military assistance."

Chinese Deny Japanese Allegation That Foreigners Ordered Killed

The allegation attributed in Chinese circles to the Japanese that Chinese mobile units have been ordered to "kill all foreigners in occupied areas" was indignantly denied by a Chinese military spokesman in Hankow this week. "It is inconceivable," he declared, "that any nation desiring foreign support and assistance as China does should have resorted to such a dubious method of achieving this end. This patent lie," the spokesman continued, "is designed to alienate foreign sympathy with China, and also to counteract the strong reaction aroused by numerous Japanese outrages against foreign lives and property. A third possible motive is the desire of the Japanese military to furnish a pretext for their stern refusal to allow foreigners to return to occupied areas."

Commenting on the Japanese reference to "hearty co-operation" between Catholics and the Japanese Army, which is alleged to have aroused the Chinese desire to "kill all foreigners," the Chinese spokesman said that the Japanese certainly "had an extraordinary method of rewarding co-operation." He recalled the alleged recent murder of Father Fourre, and five Franciscan sisters, by "the Japanese or their agents" at Changlo, in Shantung, and also the alleged bombing of Catholic churches, and property far behind the actual fighting line. "Such treatment of Catholics," the spokesman declared, "who, the Japanese said, were co-operating with them, makes it easy to understand the unending list of outrages committed against non-Catholic foreigners and their property by Japanese soldiers."

Tung Wen College Students Start On "Tour of Investigation"

Students of the local Japanese Tung Wen College, now housed in the buildings of the Chinese Chiaotung University, which the Japanese Army seized sometime ago, departed on June 4 on their annual investigation of China's resources and economic conditions. This year the tour will also include "pacification work" among the Chinese people which is being carried out by the Japanese Army.

The annual tours of Tung Wen students, which the Chinese have always designated as "spying" activities, are a part of the regular college course and are a pre-requisite to receipt of graduation degrees. Students in Tung Wen are sent to China from the various perfectures in Japan. Here they are given courses in Chinese history, language, geography, economics and social conditions and upon completion of the course are employed in the army and navy intelligence services, by the consulates, special service sections, and by the large Japanese firms. Their trips into the interior of the country have always been a fruitful source of complications as the Japanese students usually wear Chinese clothes and try to pass as Chinese students.

Chinese to Close Tokyo Embassy June 11

The Chinese Embassy in Tokyo will be closed on June 11 and Y. C. Yang, Chinese Charge d'Affaires, and his staff will leave for China, *Domei* reported June 4. Since Ambassador Hsu Shih-ying left Tokyo on Jan. 20, Yang had been in charge of the Chinese Embassy. In the meantime the "Provisional Government" appointed Sun Chih, former Secretary of the Chinese Embassy here, "High Commissioner" of its Tokyo office. An association of Chinese residents recently adopted resolutions asking that Yang turn over the Chinese Embassy building and the latter was reported to have repeatedly requested permission from the Nationalist Government to withdraw from Tokyo. This permission was granted recently.

Japanese Navy Delivers 10 Subs to Siam Government

The Japanese naval authorities on June 5 dispatched four submarines, recently constructed by the Mitsubishi Dockyard at Kobe, to Bangkok, Siam, where they will become a part of the Royal Siamese Navy. The subs were manned by some 200 Japanese officers and men. There was also aboard the new submarines a large number of Siamese sailors who had been instructed for the past two years in the operation of the ships. The chief Japanese instructor was Capt. Yukichi Yashiro.

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